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INSIDE  
EIGHT PAGES  
FROM SUNDAY'S  
**The New York Times**  
WEEKLY REVIEW

## Rafael head resigns after pact approved

MICHAEL YUDELMAN

FOLLOWING the approval yesterday of an agreement temporarily solving the Rafael crisis, director-general Yitzhak Gatt resigned.

Gatt asked Prime Minister Shimon Peres to accept his resignation, but Peres asked him to stay on. Gatt has not given his final decision, Channel 2 reported.

Peres yesterday approved the interim compromise agreement reached Saturday night between the Histadrut and the Treasury, according to which Rafael, the Armaments Development Authority, is to remain part of the Defense Ministry for at least another two years, before becoming a government corporation.

Besides solving the immediate crisis, the Histadrut considers the agreement no less an achievement for obtaining improved retirement conditions for workers who quit Rafael within the next two years.

According to the agreement, 450 workers will retire voluntarily within the coming year and receive the same benefits as those who retired in July 1993. The first 250 workers are to retire immediately with the signing of the agreement this week, 100 others in September, and 100 more next January.

Only civil servants eligible for budgetary pension — those over 40 employed for 10 years — will be included in the voluntary retirement program.

Rafael's management may veto 20% of those who opt for retirement, but then may not fire those workers for three years.

Under the agreement, management canceled the dismissal notices it gave 90 workers and undertook not to fire others during the next two years. If it finds it necessary to reduce personnel further, the workers who have to leave will join the retirement program with the same improved terms.

Rafael workers who are civil servants, but not employed in research fields, have agreed to take a 9 percent pay cut, which is the average wage hike given civil servants in January 1996.



Angry farmers dump crates of tomatoes at Nahal Oz yesterday to protest the government's allowing Palestinian produce to flood the Israeli market. Story, Page 12.

## Peres accuses Likud of incitement over Jerusalem

STUNG by a Likud allegation that he would agree to the repatriation of Jerusalem, Prime Minister Shimon Peres angrily struck back yesterday. He issued a statement at the weekly cabinet meeting declaring that the charge is not only baseless, but also constitutes "incitement," given public sensitivity to the future of the city.

Meanwhile, Jerusalem Mayor Ehud Olmert again claimed that academics Yair Hirschfeld and Ron Pundak are conducting secret negotiations on Jerusalem with the Palestinians.

Pundak and Hirschfeld received the green light from Minister Yossi Beilin to discuss the future of Jerusalem, Channel 1 reported last night. This has been consistently denied by the government. "The fact that the talks are taking place is not being contested," Likud leader Binyamin Netanyahu said at the capital press conference at which Olmert made his claim. "What is under dispute is the question of whether they are separate talks by academics or whether they are under Beilin's supervision. We say with complete certainty that they are laying the ground for [an Oslo-style] agreement."

He compared the situation to the division of Berlin, saying: "Physical division follows political division as sure as night follows day." Peres's statement, read to reporters by cabinet secretary Shmuel Hollander, declared: "Following charges that the prime minister and the government intend, as it were, to divide Jerusalem — and with regard to secret talks allegedly being conducted on the matter — the prime minister wishes to emphatically

DAVID MAKOVSKY and LIAT COLLINS

and unequivocally state that he has no knowledge whatsoever of any official persons dealing with Jerusalem or conducting negotiations on this issue.

"Reports of this are baseless. The prime minister emphasized that the entire cabinet is united on the principle that Jerusalem should not be divided, and allegations to the contrary should be considered incitement."

### Jerusalem talks, Page 2

Olmert cited two recent meetings between Pundak and Hirschfeld and Palestinian officials in Jerusalem. The first was in November at Orient House and the second at the Palestinian Academic Society for the Study of International Affairs.

The upcoming elections will be a referendum on Jerusalem, Netanyahu said, launching the Likud-Tsomet campaign with posters and stickers bearing the slogan, "Peres will divide Jerusalem."

"If the prime minister means what he told the cabinet, he should prove it by closing down Orient House by March 1," Olmert said.

According to the government's own evaluations, he added, closing Orient House would not affect the continuation of the peace process.

Both Netanyahu and Olmert rejected a call by Labor Party secretary-general Nissim Zivili to sign an agreement to keep the Jerusalem issue out of the election

campaign. Netanyahu dismissed the demand as "ridiculous." "Jerusalem is the most important issue in these elections. We won't agree to keep quiet now, so that he can yield later. The elections will determine whether the Jewish dream of a united, rebuilt Jerusalem will continue or disintegrate."

Channel 2 reported last night that Internal Security Minister Moshe Shahal called on Foreign Minister Ehud Barak to prevent foreign dignitaries from visiting Orient House.

Netanyahu gave a long list of reasons for concern about Jerusalem, including the talks on the permanent status; the secret talks in Europe; the existence of more than 10 Palestinian offices operating in Jerusalem; the plans for an Arab shadow municipality; the presence of Jibril Rajoub's Preventive Security Service agents; Yasser Arafat's declarations on the city; the Palestinian elections in the city; and the government's refusal to support opposition bills calling for a special Knesset majority to endorse changes to Jerusalem's borders and status.

MK Yitzhak Levy (National Religious Party), meanwhile, said he would raise his Jerusalem bill for first reading this week. Under the bill, any changes to the existing Jerusalem Law would require a majority of 80 MKs, two-thirds of the Knesset.

"The bill is compatible with the government's statements on the status of Jerusalem and will be a test of the honesty of those statements," Levy said.

Bill Humnan contributed to this report.

## Labor proposes May 14 elections

LABOR now wants the elections to be held on May 14, senior party sources said yesterday. This is two weeks earlier than the date said to have been Prime Minister Shimon Peres's original choice.

Attempts to fix a new election date will be renewed this morning, when the Labor team meets with Peres, then with Likud representatives, followed by representatives of the religious parties.

The Likud and Tsomet issued a statement last night arguing that "Labor's sudden decision to move back the elections even further is evidence of panic in Labor quarters and prevent open discussion of its plan to divide Jerusalem. It is no coincidence that Labor is trying to hold elections three days before Jerusalem Day."

Labor responded by saying that the Likud has resumed its incitement, which mandates

SARAH HONIG

that the elections be held as early as possible. But the new date may only be a bargaining chip. Labor has been trying since last week to link concessions on a more suitable date to opposition agreement to ban election propaganda from Channel 2 and to repeal legislation preventing candidates to be shown on television in the month preceding election day. The opposition maintains that this would give an immense advantage to the government parties.

Elections on May 14, it is conceded even within Labor, may be impossible for a number of reasons. Interior Minister Haim Ramon has said his ministry cannot complete the necessary preparation for an election prior to May 21. Moreover, a May 14 date could make it

impossible for new parties to complete bureaucratic procedures.

May 14, however, presents no religious problem as far as Shavuot is concerned.

Meanwhile, wrangles inside Labor are preventing the finalization of the campaign team. It is agreed that Housing Minister Binyamin Ben-Eliezer will run the campaign, but both Foreign Minister Ehud Barak and Ramon want to be put in charge of information.

Peres is reported to favor Ramon, but because of the dispute has put off the announcement of his decision. He had intended, according to party sources, to name Barak head of the steering committee, put Internal Security Minister Moshe Shahal in charge of administration, and Minister Yossi Beilin in charge of the polls.

Liav Collins contributed to this report.

## Settler leaders launch drive for 'national camp'

HERB KEINON

WITH his mustache, barrel chest, pointer, and large green charts, Aharon Domb struck a field commander's pose while addressing a Jerusalem meeting of "national camp" campaign activists yesterday.

"Whoever thinks he can force someone to think like him through an aggressive manner is mistaken," Domb said. Then he unveiled the Council of Jewish Communities in Judea, Samaria, and Gaza's campaign for Binyamin Netanyahu and the "national camp."

Domb spoke like a military man, stressing the bottom line of goals, timetables, even "protecting the rear." Behind him at the Tikvatenu Community Center were banners with the slogan he hopes will be ubiquitous on the country's roads: "I feel secure in the national camp."

"Contrary to press reports, we are not running a negative campaign against Shimon Peres," Domb said. "And the reason is because we want Netanyahu to be the next prime minister."

Referring to the Rabin assassination, Domb said, "Since something happened in Israel — and we can not ignore that something happened in Israel — we must pay attention and not give our enemies Eretz Yisrael on a silver platter. Even beyond taking a life, or taking the life of the prime minister, what happened has given Eretz Yisrael to our enemies."

### Old IDF boots get the boot

THE IDF is to introduce a new, improved infantry boot within the coming year.

The new footwear is supposed to be more comfortable and made of better quality material. Some 400 pairs are to be field tested soon. The present model has been in use for 30 years.

On Levy

## PM and ministers targets of death threats

PRIME Minister Shimon Peres and other ministers have received death threats, the cabinet was told yesterday.

Cabinet sources said threats were made against Peres, Internal Security Minister Moshe Shahal, and Environment Minister Yossi Sarid. "Information [emerged indicating] ... that the murder of prime minister Yitzhak Rabin did not end the violence and the extremism, but left it alive and well and, some say, even opened the door for further assassinations," one source said.

According to a security source, there are "hundreds" of people who would like to kill Peres.

In a rare interview with a member of his family, Peres's daughter Zvia Walden, a university lecturer, told Israel Radio yesterday that

DAVID MAKOVSKY

she had received death threats against her father and herself. "There are threats against the prime minister ... People who oppose him are losing their minds. I think they feel the moment of truth is coming, and the solution

he strove for over many years is finally becoming a reality.

"I am also a target for those who find no other outlet but to issue despicable threats," she said.

According to cabinet sources, Housing Minister Binyamin Ben-

Eliezer warned that another assassination is possible, and everyone should be vigilant. It was Ben-Eliezer who warned the cabinet a week before Rabin's assassination that a political killing was a very real possibility.

At that meeting, Ben-Eliezer appealed to Rabin to ban guns at political demonstrations, to minimize the risks of an assassination. Rabin, however, turned the appeal aside, saying it was unworkable.

"We have lived with this problem for more than 25 years; we will continue to do so in the future," a cabinet briefer cited Rabin as saying a week before he was murdered.

Industry and Trade Minister Micha Harish voiced concern that the likelihood of another killing has only increased now that the Likud has falsely charged that Labor is going to redivide Jerusalem.

Interior Minister Haim Ramon urged that the police act against right-wing activist Avigdor Eskin, who allegedly held up a placard in Jerusalem proclaiming "Yigal Amir is not a murderer."

"If this is not sedition, I do not know what is," he said.

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## Over 100,000 illegal foreign workers here

MORE than 100,000 foreign workers have entered the country over the past decade and have remained here illegally, according to a survey conducted for Interior Minister Haim Ramon.

The ministry announced yesterday that those working without per-

mits come from Asia (20,000), Africa (25,000), the CIS (25,000), Eastern Europe (15,000), and South Africa (15,000). Additional illegals come from Western Europe and North America, the ministry said. Ramon is to meet soon with Minister of Internal Security

Moshe Shahal and Minister of Labor and Social Affairs Ora Namir to develop a policy to deal with the situation. In the meantime, Ramon decided to issue arriving foreign workers with a special identity card which they must carry. Jerusalem Post Staff

# Unofficial talk on Jerusalem

BACKGROUND  
DAVID MAKOVSKY

SENSITIVITY to the idea of informal discussions about Jerusalem has been significantly heightened because of the similar discussions that led to the Oslo agreement. During the five months before the secret talks were upgraded to an official level in May 1993, the Rabin government could plausibly deny talks were under way, as they were being conducted by two academics.

Yair Hirschfeld and Ron Pundak, who enjoyed close personal ties to deputy foreign minister Yossi Beilin, were not "officially authorized" to conduct talks, nonetheless they were meeting Palestinians at the behest of Beilin. Their talks subsequently continued with the approval of Shimon Peres and Yitzhak Rabin.

Peres and Beilin strategized with the two on several occasions. To ensure plausible deniability, many steps were taken. For example, Beilin insisted that draft papers, written with their Palestinian counterparts, be on the stationary of the Norwegian Institute for Applied Social Sciences.

Regardless of whether talks are now being held, it remains far from certain that Jerusalem, as it has evolved since 1967, can be repartitioned.

Meron Benvenisti, a former deputy mayor and a leading researcher on the city, declared yesterday that partition is no longer feasible.

"The current debate about a division of the city is meaningless," he said. "You cannot surgically divide Jerusalem today, as the ethnic groups are all mixed together. Nobody wants to divide the city anyway, including the Arabs."

For Palestinians, Benvenisti said, there is already the start of a "functional division of the city. The Palestinians living in Jerusalem are essentially part of the Palestinian Authority's educational system. I think it is only a matter of time before Palestinians living in the city have Palestinian passports, as their Jordanian passports will be withdrawn."

But Dr. Dore Gold, who just concluded a study on Jerusalem for Tel Aviv University's Jaffee Center for Strategic Studies, said he does not believe the Palestinians will be satisfied with the borough arrangements favored by former mayor Teddy Kollek.

Furthermore, he dismissed the idea that the Palestinians will settle for a capital in Abu Dis, which was part of Jordanian-controlled Jerusalem metropolitan district, but is just outside of the post-1967 municipal boundaries.

It is estimated that 380,000 Jews and 170,000 Arabs live in the city.

If, however, one speaks of a metropolitan area stretching from Bethlehem to Ramallah, including Jewish settlements in the area, the ratio between Jews and Arabs becomes roughly 50:50.



Likud leader Binyamin Netanyahu (right) and Jerusalem Mayor Ehud Olmert, at a press conference yesterday, charge that Prime Minister Shimon Peres plans to redivide Jerusalem. (Isaac Harari)

ON the issue of Jerusalem's future, the public is being treated to campaigns of disinformation by both the government and opposition.

The Likud would have us believe Prime Minister Shimon Peres is going to redivide Jerusalem. If Likud leaders are basing this allegation on information they have about the talks already under way on the city's future, they may have been misled.

There has been no talk of redividing Jerusalem, according to sources involved in what government apologists prefer to term "informal negotiations" on Jerusalem and other final stage issues.

Whatever you call them, however, the fact remains that, for several months, govern-

ment ministers and academics closely affiliated with the government have been talking about Jerusalem with their Palestinian counterparts.

These talks have created an atmosphere in which both Israeli and Palestinian officials have the strong feeling that despite the government's public pronouncements to the contrary, on Jerusalem, there is something to talk about.

"The final stage talks aren't going to collapse because of the Jerusalem issue," Hassan Asfour, the director of the Palestinian Authority's negotiations department, said in a recent interview in

## Disinformation on both sides

COMMENT

BILL HUTMAN

which he outlined the positive feedback he was receiving from Israel on Jerusalem.

Former foreign ministry director-general Reuven Merhav, now with the Jerusalem Institute for Israel Studies, described "the confidence that has been created between the two sides that will go toward moving forward the formal negotiations."

A few of the subjects being talked about: Exactly what each

side considers as Jerusalem; possible border adjustments in the Jerusalem area; status of Jewish neighborhoods in eastern Jerusalem; and authority at the Temple Mount and Al-Aksa.

What's been agreed: Most importantly, that there is something to talk about on Jerusalem. General understandings have also been reached on which formal negotiations will be based. One of the points of general understanding is that Jerusalem must remain a united city.

But just what type of united city will Jerusalem be after the election. Are Umm Tuba in the

## Who's working on Jerusalem?

BILL HUTMAN

FOLLOWING is a list of the main academic organizations working on the Jerusalem issue. The work of these groups is being used, and sometimes directed, by both the government and Palestinian Authority:

- Economic Cooperation Foundation (Tel Aviv, run by Ron Pundak and Yair Hirschfeld, the academics involved in the secret negotiations that led to the Oslo agreement)
- The Jerusalem Institute for Israel Studies
- Israel/Palestine Center for Research and Information (Jerusalem)
- American Academy of Arts and Sciences (Boston)
- Palestinian Academic Society for the Study of International Affairs (Jerusalem)
- Arab Studies Society (Jerusalem)
- Truman Institute of the Hebrew University of Jerusalem

south and the Shuafat refugee camp in the north areas Israel sees as part of its eternal capital. Does the demand to close Orient House, the PLO headquarters in the city, imply that the Moslem Waqf, also controlled by the PLO, should also be closed? Could Wadi Joz have a council like Gilo, and the council's powers be expanded in both, as has been recommended by non-partisan groups? Could strengthened neighborhood councils become the basis of agreement on Jerusalem's future?

These are some of the questions politicians generally prefer to avoid, particularly just before an election. It's the public's job to demand the answers.

### GRACE BALLAS

passed away on  
February 18, 1996  
Loving mother of  
Jacob Ballas  
of Singapore

With deep sorrow, we announce the death of our dear wife, mother, mother-in-law, grandmother and sister

### LOES CATS-DUIJZEND

Husband, Fred Cats  
Son, David and Andrea Cats  
Boaz, Oded and Noga  
Daughter, Wardith and David Ezra  
Michal and Noam  
Son, Amos and Vered Cats  
Lior and Ofer  
Sister, Hanna Koppel-Duijzend

The funeral has already taken place.  
Shiva at 4 Rehov Avi Zohar, Beit Hakerem, Jerusalem, and at the home of Hanna Koppel, 3 Rehov Hagidron, Genei Omer, Omer.



Hadassah, The Women's Zionist Organization of America  
The Hadassah family in Israel  
extend deepest condolences to  
Hanan Ben-Yehuda  
on the passing of his mother

### HASIDA BEN-YEHUDA

Marlene Post, President



### KEREN HAYESOD - UNITED ISRAEL APPEAL

The leadership and staff of Keren Hayesod  
express their sympathies to  
Hanan Ben-Yehuda  
on the passing of his mother

### HASIDA BEN-YEHUDA

Shlomo Hillel World Chairman  
Julia Koschitzky Chair, Board of Trustees  
Moshe Gur Director General



To Hanan Ben-Yehuda

Treasurer of the Jewish Agency and the World Zionist Federation  
Member of the Board of the Tel Aviv Foundation

Our deepest sympathy upon the passing of your  
dear mother

### HASSIDA BEN-YEHUDA

Roni Milo  
Mayor of Tel Aviv - Yafo  
Chairman of the Tel Aviv Foundation

### RUTH WOHLFARPH

née Bier

beloved wife of Uri (Hellmuth) mother and grandmother,  
passed away on February 18, 1996.

The funeral will take place today, Monday, February 19, 1996,  
at 12:30 p.m., leaving the deceased's home,  
Rehov Habroshim 8, Nahlat Yehuda A, Rishon LeZion, for the  
Old Cemetery of Rishon LeZion.

A year after the passing of our beloved

### ITZHAK (JONNY) KERN

we will hold a memorial service on Wednesday,  
February 21, at 2 p.m. at the Kiryat Shaul Cemetery.  
Meeting at the gate.

The Family

### THE WEIZMANN INSTITUTE OF SCIENCE

deeply mourns the passing of

### WALTER BRONNER

a devoted friend and generous supporter  
of the Institute,  
and extends its sincere condolences to his  
widow, Anna.



THE JEWISH COMMUNITY FEDERATION OF SAN FRANCISCO,  
ISRAEL OFFICE

extends deepest condolences and heartfelt sympathy to  
Richard Goldman and the entire Goldman  
and Haas Families

on the tragic passing of

### RHODA H. GOLDMAN

May you all be comforted amongst the mourners of Zion and Jerusalem.

Natan Golan Director, JCF Israel Office  
Shmuel Ben Tovim Chairman, San Francisco Amuta

### RHODA GOLDMAN

The Board of Directors, Management and Staff of  
BETH HATEFUTSOTH

The Museum of the Jewish Diaspora  
extend their deepest condolences to

Dr. Douglas Goldman  
and his family.

### PA shuts Islamic Jihad paper in Gaza

JON IMMANUEL

GAZA police yesterday closed down the weekly newspaper of Islamic Jihad in Gaza, because of an editorial which suggested that Yasser Arafat lied on the Koran when he was sworn in as president of the National Authority last week.

The newspaper, *Istiqlal*, was closed indefinitely and its editor Ala Siftawi was arrested. It is the third time the newspaper has been closed in the past two years.

The front-page editorial quoted Arafat's remarks at his swearing-in that he vowed to uphold the interests of the Palestinian people. It added, "He knows very well he is responsible before God. He can mislead or terrorize the people but God will never forgive him. To swear on the Book of God is a heavy responsibility."

The editorial was particularly incensed by Arafat's promise to uphold the covenant. "Which covenant did he mean, a hidden one or the charter he has promised to revoke?"

Siftawi was arrested Saturday night and the doors of the newspaper office sealed.

Meanwhile Palestinian police arrested three Hamas members in Jenin over the weekend, suspecting them of planning suicide attacks, sources close to the police said.

Jailed Jordanian peace critic reelected union boss

AMMAN (Reuters) - A detained Jordanian, now on trial for opposing King Hussein's links with Israel, was swept to reelection yesterday as head of Jordan's largest labor organization.

Union members said Laith Shubailat, who has been in prison since December, won 81 percent of the votes, trouncing three other candidates for leadership of the Jordanian Engineers' Union.

### NEWS IN BRIEF

#### Report: France buying Israeli drones

France is buying five Israeli-made pilotless spy planes, a source at Israel Aircraft Industries said yesterday. The French Defense Ministry has bought five Hunter unmanned spy planes and a ground station to operate them, the source said. (AP)

#### Rabin grave site to be closed

Following a decision last month by the Ministerial Committee on Symbols and Ceremonies, a new monument to the late prime minister Yitzhak Rabin is to be built, designed by architect Moshe Safdie. Due to construction work, Rabin's Mt. Herzl grave site will be closed to visitors for two weeks beginning today, through Monday, March 3. Jerusalem Post Staff

#### Gush Katif trauma unit dedicated

A \$60,000 trauma unit which will serve residents of Gush Katif was dedicated in Neveh Dekalim yesterday. The unit, which will provide emergency first-aid before a patient can be taken to a hospital, was funded by Irving Moskowitz through the One Israel Fund. Herb Kainon

#### Arafat sends pre-election pledge to Peres

Palestinian Council President Yasser Arafat sent assurances to Prime Minister Shimon Peres yesterday he would continue to try to curb violence by Islamic militants as Israel heads towards general elections, Palestinian Economy Minister Ahmed Qreia said. Arafat also said at a meeting in Gaza with chief Israeli peace negotiator Uri Savir that he is preparing to convene the Palestinian National Council to amend parts of the PLO charter that call for Israel's destruction. Reuter

#### Shahal foresees peace with Iraq

Internal Security Minister Moshe Shahal said yesterday it is possible to reach a peace accord with Iraq. Shahal, himself of Iraqi origin, said overtures had been made over the past few years and that he had reported this development to the late prime minister Yitzhak Rabin. Israel had been unable to take steps toward accommodation with Iraq due to American opposition, Shahal told a Labor Party parlor meeting. Greer Fay Cashman

#### Jericho closed to Israelis

Jericho will be a closed military area from 8 this morning, the IDF Spokesman announced last night, citing security reasons. The army said it would issue an announcement when the town is reopened to Israelis. Jerusalem Post Staff

#### IDF, Palestinians clash in Hebron

IDF troops fired tear gas at stone-throwing Palestinians in clashes in Hebron yesterday, injuring scores of demonstrators, witnesses said. They said the clashes erupted following a dispute between families. Hundreds of Palestinians streamed into the area to throw rocks at the troops, who shot tear gas and percussion grenades to disperse them. Reuter

### AUSTRALIAN FEDERAL ELECTIONS

The Australian Government will hold a General Election for the Federal Parliament on Saturday, March 2, 1996. Australian citizens wishing to vote in the elections should contact the Australian Embassy at the following address for advice and further information:

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ליווי נוסעים



Internal Security Minister Moshe Shahal, accompanied by Palestinian Police chief Razi Jabali, reviews an honor guard of students at the Palestinian Police academy in Jericho yesterday. Bringing up the rear is Saeb Erekat, Palestinian Authority minister of local government affairs. Accompanying Shahal on the visit were Inspector-General Assaf Hefetz, Judea and Samaria district police chief Alec Ron, and Jerusalem police chief Arye Amit. They met with their Palestinian counterparts and discussed cooperation between the two forces. (Text: Bill Hartman; Photo: Ariel Jeruzolimski)

# Yirka man kills sister, hangs himself

A DRUSE resident of Yirka, near Acre, apparently killed his sister over family honor late Saturday night, then committed suicide. According to police, another resident of the village called at about 11 p.m. to say that Radvan Muabi, in his 30s, told him he killed his sister Nuseira, 21, a student at Safed College, then fled in his car. Police began searching for him, and shortly thereafter found his abandoned car. The searches resumed yesterday morning, and at about 9 a.m., the body of Nuseira was found in an olive grove. She had been hit in the head, apparently with a rock. Shortly thereafter, Muabi's body was found hanging from a tree in the same grove.

According to Hebron Tarbelsi, the director-general of Safed College, Muabi had showed up at the dormitories early Saturday evening and asked his sister to come with him. When she refused, he took her by force. He said that Nuseira had been quarreling with her family and that she had complained to police that she feared for her life. The college, he said, had taken pains to ensure that she was never alone, seeing that someone accompanied her everywhere. But, he added, the latest report had been that everything between her and her family had been quiet for the past month. (Iim)

# State tells High Court 'Ha'aretz' is unworthy of the army's trust

EVELYN GORDON

THE army "discriminates" against the daily *Ha'aretz* only in areas which require special trust, and this is legitimate, because the paper has proven itself unworthy of such trust, the state told the High Court of Justice yesterday.

It was responding to a petition by *Ha'aretz* which charged that the army does not let the paper's reporters attend events to which all other military reporters are invited, or grant the paper's requests for personal interviews. The court has issued a showcause order on the petition.

In its response, the state said that *Ha'aretz* receives all the official press releases and invitations which other papers receive.

All of the paper's questions are also answered, the response said. However, it continued, this is the extent of the army's formal obligations to any journalist. Anything beyond that, such as off-the-record interviews with senior army officials, is based on the relationship of trust which the army has developed with journalists over the years, and cannot be continued if this trust is broken.

*Ha'aretz* betrayed the army's trust, the state argued, when it recently decided unilaterally to violate one of the basic guidelines which the army had agreed upon with all the media: That incidents in which soldiers were killed or seriously wounded should not be publicized until the families are notified, so that they include the names of the victims when they appear for the first time. Otherwise, if casualties are reported with no names, anyone with a friend or relative in the danger zone endures needless anguish.

Given this breach of trust on the paper's part, the army has no obligation to continue to grant special privileges, such as off-the-record interviews, to *Ha'aretz* reporters, the state argued.

The response also disputed a number of the specific incidents of "discrimination" which *Ha'aretz* cited in its petition, claiming that either the paper had been invited to these events, or that they had not been formal events organized by the army, but had rather been in answer to requests from specific journalists.

# Nimrodi, Ronen seek further information on wiretapping indictment

EVELYN GORDON

THE indictment against *Ma'ariv* publisher Ofer Nimrodi and security officer David Ronen is clearly written and includes all of the factual information needed, according to a statement by prosecutor Rafi Levy yesterday.

Levy was responding in Tel Aviv Magistrate's Court to claims by Nimrodi and Ronen - charged with 15 counts of commissioning illegal wiretaps, mainly on *Yedioth Aharonot* personnel - that the indictment is unclear and lacks crucial information.

However, Levy said that regarding some of the claims made by the defense, he would give further details to help the defense deal with things they say are unclear. In particular, the defendants claimed, the indictment does not say where the wiretaps for which they were charged were situated. But Levy said the prosecution has a list of Bezeq phone boxes where the taps were allegedly made and will present this list to the defense.

However, Levy said that some details, such as a list of phone conversations, times such conversations took place, and the people who spoke in the conversations, are factual information not needed in the indictment.

Prosecutor Levy added that he doubted that such information needed to be presented as evidence. (Iim)

# Ex-private eyes indicted for wiretapping

EVELYN GORDON

FORMER private detectives Amir Ben-Asher and Ya'acov Bak were indicted yesterday in Tel Aviv Magistrate's Court on charges of illegal wiretapping and conspiracy. The two are accused of bugging the home phone of Dov Yudkovsky, former editor-in-chief of *Yedioth Aharonot* who moved to its rival *Ma'ariv*, for some two months in 1992. According to the charge sheet, Ben-Asher, 45, and Bak, 57, passed on recordings of Yudkovsky's calls to *Yedioth* editors Moshe Vardi and Ruth Ben-Ari. They are also charged with planning to bug the home and office phones of former *Yedioth* graphic artist Orr Lifschitz.

In another count of the indictment the two are charged with giving Vardi an illegal recording of conversations held by *Ma'ariv* editor Ofer Nimrodi on his cellular telephone.

The trial is to open on March 6 and be heard by Judge Hanan Efrati. Bak is serving a nine-year prison sentence for commissioning a murder with Ben-Asher, who is still on trial. (Iim)

# Expert: About 90 Yemenite children unaccounted for

THERE appear to have been a number of missing Yemenite children who were adopted in the Fifties, but this was not a mass phenomenon, an expert yesterday told the commission looking into the issue of the missing children.

Bar-Ilan University researcher Dr. Dov Leviatan cited a Health Ministry document from April 1950 sent to hospitals in the north of the country. In it, a ministry official by the name of Dr. Lustig writes: "With regard to the return of children who have recovered... there apparently were certain people who hastily tried to adopt them. The children's parents looked for them and were unable to find them."

Leviatan, who has been studying the issue for 15 years, said he believes from 85 to 90 children are unaccounted for. He said that, if Lustig knew about this, the health minister must also have known - but the authorities turned a blind eye, since they took a paternalistic attitude towards the Yemenite immigrants, whom they regarded as "primitive."

In the Fifties, Leviatan added, it was fairly simple to adopt a child semi-legally. In some cases, Yemenite families could have adopted other Yemenite children, he said.

## BATSHEVA TSUR

On the other hand, Leviatan said, some 600 orphans arrived with that wave of immigration and it had been difficult to find them adoptive or foster parents. Thus he concludes that there could not have been a widespread phenomenon of persons wanting to adopt Yemenite babies.

In all the time he has been working on the subject, he added, only five or six persons had asked him to help trace their families. "We can only conclude that the majority of the missing children therefore must have died," Leviatan said.

Leviatan said that the Mossad had been directed, at the end of the Sixties, to look for 22 children who had allegedly been kidnapped and taken to the US for adoption. This part of the testimony was given to the court in camera.

Leviatan later told reporters the Mossad investigation was not thorough and that he had subsequently carried out an investigation of his own. "It showed there were no such cases. The story was a fabrication by two journalists from the *Olam Hazeq* weekly who were looking for a so-called scoop."

Leviatan said he had received threats both from followers of

jailed Uzi Meshulam and from "political circles" - in power now and who had been in the Seventies - to stop his investigations. "I will not be intimidated," he said.

He recommended that some 50 or 60 graves be exhumed for genetic examinations, but warned that some of the graves could be empty. "The lack of order in those days extended to the burial society, too," he said.

Leviatan also took the opportunity to slam two programs on Channel 2 which had dealt with the issue. He said that claims in a program by Micha Limor that Yemenite children had been used for medical experiments, "five years after the end of the Holocaust," were "sick. Whoever made such claims should be sent to a psychiatrist," Leviatan said.

As for the program *Fact*, based on documents which anchor Ilana Dayan said had "reached her," Leviatan said: "Those were the documents I produced during my previous appearance here before the commission."

"This is totally unethical," he did not comment, however, on the substance of Dayan's charges that some babies had been taken from the arms of their Yemenite immigrant mothers.

# High Court orders rabbi, convicted of fraud, suspended

EVELYN GORDON

THE High Court of Justice yesterday ordered that Afula Chief Rabbi Perez Zioni be suspended because of his conviction four months ago on charges of fraud, bribe-taking, and breach of trust.

The ruling follows a long line of decisions in which the court has tried to enforce certain norms on civil servants. In 1993, for instance, it ruled that former General Security Service official Yossi Ginnosar could not serve as director-general of the Housing Ministry because of his involvement in the killing of two captured terrorists and the subsequent cover-up. Later that year, it ruled that Aryeh Deri and Rafael Pinhasi could not continue to serve as a minister and deputy minister, respectively, because of the pending indictments against them.

However, this is the first such case involving the rabbinate. Zioni is appealing his conviction, for pocketing tens of thousands of shekels in marriage and *kasbrut* certificate fees, and the appeal is due to be heard in April. However, Afula resident Haviv Peretz petitioned the High Court demanding that Zioni be suspended in the meantime, and fired if his appeal is rejected.

Justices Aharon Barak, Ya'akov Kedmi, and Dalia Dornier suggested that in light of the serious charges against him, the appropriate thing would be for Zioni to

suspend himself. However, Zioni refused, saying his constituents want him to continue. He submitted a petition with about 1,000 names to support his claim.

The justices rejected this argument, however, saying a person who has been convicted of such serious charges should not be allowed to continue in a position of public trust, and ordered him suspended.

Zioni, who has been Afula's chief rabbi for 20 years, was sentenced by the Nazareth District Court to six months community service and a NIS 150,000 fine. The court said the authorities did not take proper measures to monitor him, thereby inviting irregularities.

But the High School Teachers' Organization said later that it members would be teaching as usual.

"The vast majority of the schools will open in the morning without disruption," a spokesman for the organization said.

# Union teachers to start school late in protest over pension terms

BATSHEVA TSUR

CLASSES in junior high and high schools where teachers belong to the Teachers' Union will start only at 10 this morning.

The teachers are protesting against erosion in their pensions following new pension regulations announced by the Treasury. According to the teachers, most of

their pensions will be cut drastically.

"The disruptions are just the first step. If the Treasury does not find a solution that will satisfy us, we'll take more drastic steps," union leader Avraham

Ben Shabbat said yesterday.

But the High School Teachers' Organization said later that it members would be teaching as usual.

"The vast majority of the schools will open in the morning without disruption," a spokesman for the organization said.

# Shetreet submits list of nominees for TA Religious Council

RELIGIOUS Affairs Minister Shimon Shetreet has finally submitted his list of candidates for the Tel Aviv Religious Council, more than two years late, the state told the High Court of Justice yesterday. As a result, the court canceled a petition by Meretz and the Reform movement demanding that Shetreet appoint his candidates, so that a new council can finally be installed. The court charged the state NIS 5,000 in court costs, however. Evelyn Gordon

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# Buchanan, Dole even on eve of NH poll

ALAN ELSNER  
MANCHESTER, NH

SENATE Majority Leader Bob Dole yesterday put a long life of service to the nation on the line against two younger opponents as the divisive Republican presidential campaign approached tomorrow's key New Hampshire primary.

Opinion polls showed Dole, 72, clinging to a tenuous lead over fiery columnist and former presidential speech writer Pat Buchanan. Lamar Alexander, a smooth-talking former governor of Tennessee, is within striking distance but millionaire publisher Steve Forbes' challenge appeared to be waning.

Three new polls yesterday gave Dole 25 percent with Buchanan around 21-22 percent. Alexander in the high teens and Forbes around 12 percent. The winner will emerge as the firm favorite to win the Republican nomination to face President Bill Clinton in the November election.

"Whoever wins in New Hampshire will probably be the Republican nominee to run against President Clinton," Dole said last week, a comment he may regret if he loses.

The veteran lawmaker who was grievously wounded in the Second World War has asked voters to send him on a final mission for his generation. Yesterday he struck a fatalistic note, saying "I'm relaxed. What will happen will happen."

Dole will receive a late-inning boost from Texas Sen. Phil Gramm, who was due to endorse him yesterday, CBS News reported.

ed after speaking with Gramm. The Texan dropped out of the Republican race after a poor showing in Iowa last week.

The fiercely independent, conservative New England state, with a population more than 97 percent white, has provided an ordeal by fire for presidential candidates over four decades. No candidate since 1964 has won the Republican presidential nomination without first winning the New Hampshire primary.

If Dole wins, his superior financial resources and organization may see him to the nomination as the campaign spreads around the country with more than 20 states holding primaries or caucuses in the next three weeks. If he falters, many of his supporters may turn to Alexander in an effort to block the populist Buchanan.

With candidates spending millions of dollars on nasty, negative advertising, the campaign has opened an ideological breach that has many Republicans increasingly anxious that the party is tearing itself apart and paving the way for a Clinton victory in November. Hammering home the contrast between himself and the Republicans, Clinton toured New Hampshire on Saturday, drawing huge, enthusiastic crowds in icy conditions.

The first Democratic incumbent to be unopposed for his party's presidential nomination since 1944, Clinton has seen his approval ratings rise and he is currently forecast to beat any Republican comfortably. (Reuter)

## Poles vote on privatization

MONIKA SCISLWKA  
WARSAW

POLES appeared to be turning out in low numbers yesterday to vote on a privatization program in a referendum that has left many of them baffled.

The referendum asks whether they want to continue with a privatization program begun last year. Whether they want to expand it or whether privatization proceeds should be used to pay state debts to pensioners and civil servants and to finance a new pension fund.

Its supporters say it offers "the last chance to create a middle class in Poland," while detractors brand it a simplistic test of whether Poles want to be content and prosperous.

Polls before the referendum showed many voters confused by the questions and suggested the

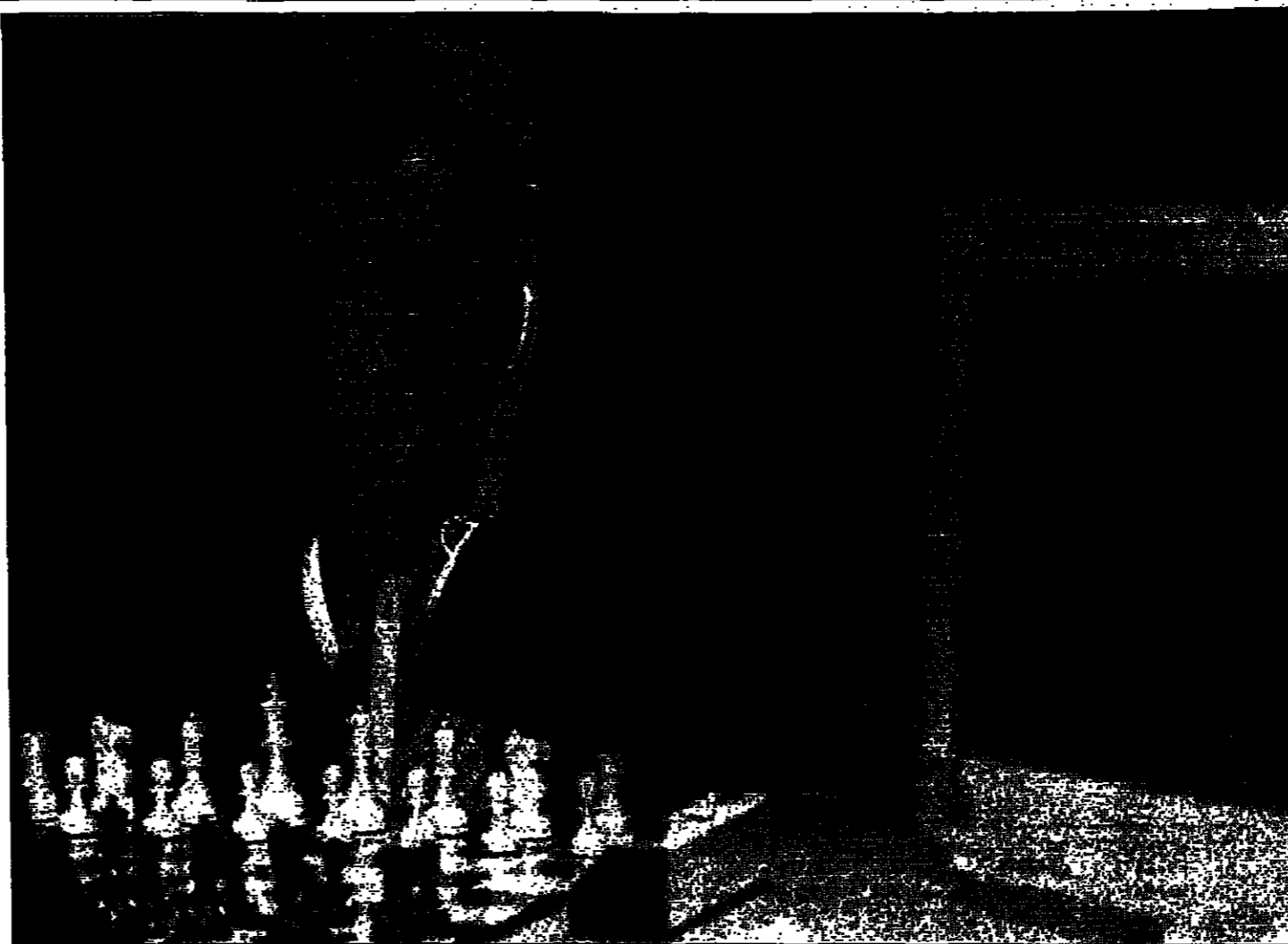
turnout of more than 50 percent required for a valid vote may not be reached.

Correspondents of the Polish news agency PAP reported a much lower turnout in many voting stations yesterday compared to the presidential election in November, when the turnout was about 65 percent.

The results are not expected until tomorrow at the earliest.

Lech Walesa, the former president and Solidarity leader, voted in his hometown of Gdansk on the Baltic coast.

"This is the most important thing for Poles since the Russian army left Poland (in 1993)," said Walesa, who first suggested the referendum last year, when he was still president. (AP)



World chess champion Garry Kasparov glances up during his match against IBM's Deep Blue in Philadelphia on Saturday. (Reuter)

## Humans celebrate as Kasparov beats machine

PHILADELPHIA (Reuter) - The human won, and he thrust his arms high into the air, cheered by spectators whose dignity he had vowed to uphold.

But as brain triumphed over processor chips in the historic chess challenge match between world champion Garry Kasparov and an IBM supercomputer called Deep Blue, even the humans behind the machine were celebrating.

In the week-long battle that ended on Saturday night, Kasparov avoided becoming the first champion to lose a classic chess match to a computer program, although he did concede

one game that shook the chess world and his ego. He called it "the most humiliating experience."

The scientists who spent six years developing Deep Blue sent a warning that the day was nearer when one of their programs might beat a world champion in a match played under regular tournament conditions. They built a system capable of calculating 50 billion chessboard positions within three minutes that seriously challenged the man considered to be the strongest player in the history of the ancient game.

The sponsor, the Association for Computing Machinery

(ACM), was delighted at landing at the center of an event that almost overshadowed the convention marking the 50th anniversary of the first computer - known by its acronym ENIAC - at the University of Pennsylvania.

"We have to learn from our experience here so that we can improve the design of computers and apply this knowledge to problems that are more related to our practical lives," said C.J. Tan, senior manager of IBM's parallel processing unit.

The six-game match from Feb. 10 to 17 also demonstrated the growing impact of computers in homes and businesses with five

million "hits" on IBM's Internet website in one weekend.

"Only chess and such a competition could bring the whole world to pay such close attention," said Kasparov, who lost the first game, won three and drew the other two for a final match victory of 4-2.

"I feel I did a good job for chess first and probably for mankind. I still believe we should cooperate with the machines and benefit from that rather than take a hostile view," said the Russian grandmaster, who described the match as a challenge to defend human dignity against the domination of computers.

## Miracle child returned after 2-year ordeal

DONNA BRYSON  
JOHANNESBURG

THERE was a time when South Africans couldn't escape photographs of baby Micaela Hunter. She was stolen from her mother's arms and out of a Johannesburg hospital nearly two years ago, and her tiny face seemed to be everywhere - peering out at newspaper readers, dangling from posters tied to telephone poles, flashed on the evening news.

Micaela was back with her family this weekend after a woman confessed to having abducted the child to raise as her own. But pictures were hard to come by - Micaela and her parents Bruce and Alison Hunter were in seclusion, trying to cope with the miracle of a found child.

"We are still total strangers to her," Bruce

Hunter told state television Friday, the day police returned his daughter. "You can see she's scared. She's not sure where she is, but she is clinging to Alison and maybe there's a feeling there, like a sixth sense."

The Hunters allowed only the Sunday newspaper *Rapport*, to whom they had sold rights to the story, to photograph Micaela. Other newspapers yesterday made do with fuzzy shots of Alison Hunter at the door of her home, of the woman accused of abducting her hiding under a blanket as she was driven to court, of a

younger Micaela spirited out of the home where she had lived for the past 22 months.

The 25-year-old woman who admitted taking the child appeared in court for a preliminary hearing Friday, but has not yet been charged. She could face up to 15 years in prison for child theft.

The woman's breakup with a boyfriend who thought he was Micaela's father apparently forced her to confess. Police said the man had wanted to adopt the child, and became suspicious when the woman could not produce a birth certificate. They argued, and after hearing the abduction story, the man took blond-haired, blue-eyed Micaela to a police station. (AP)

## Balkan leaders stick by peace plan

ROME (AP) - Balkan leaders yesterday made promises to stick by the peace plan that halted the Bosnian war, international mediators said, defusing a potential crisis.

The announcement came after 25 hours of intense negotiations at an emergency summit.

"We prevented a situation that could have jeopardized the Dayton agreement," said Richard Holbrooke, the US assistant secretary of state who convened the parties to Rome and led efforts to reach the peace agreement last December outside the Ohio city.

Holbrooke said the talks had produced agreements on the key flashpoints that brought them on, namely disputes on unifying the divided cities of Mostar and Sarajevo and Bosnian Serb anger over the arrest of two Bosnian Serb officers suspected of war crimes.

The Bosnian Serbs agreed to resume contacts with NATO, which they had suspended after the arrest and extradition to The Hague of the officers.

"Nothing was given in exchange for this. They did this on their own," Holbrooke said.

Bosnian Muslims and Croats agreed to settle the administration of Mostar and cantons in the area around the southwestern city.

The issue of Mostar is considered crucial because it is a testing ground for the Croat-Muslim federation, an alliance designed to balance the Bosnian Serb republic.

The parties also provided "assurance to Serbs in Sarajevo that their freedoms will be protected," Holbrooke said. "They do not need to leave Sarajevo."

He said the president of Bosnia, Alija Izetbegovic, and of Yugoslavia, Slobodan Milosevic, had agreed to set up a telephone hotline.

Croats in Mostar have refused to accept a central district jointly administered with Muslims, as envisaged by European Union administrator Hans Koschick. The historic city, heavily damaged by war, is divided in Croat and Muslim sectors.

## Turkey coalition talks hit snag

ANKARA (Reuter) - Turkey's Islamists and their would-be coalition partners yesterday unexpectedly put off key coalition talks, the latest hitch in marathon negotiations to form a government after inconclusive polls last December.

The Islamist Welfare Party (RP) announced a 24-hour postponement in the negotiations, which had been expected to seal a coalition deal with the right-wing secularist Motherland Party (ANAP).

Welfare took 21 percent of ballots cast at the elections and came in a narrow first thanks to a split secularist vote. ANAP - campaigning as a secularist alternative - took the third-highest number of seats in the 550-member parliament.

An RP official refused to give a reason for the postponement but denied that the talks, between Islamist leader Necmettin Erbakan and ANAP head Mesut Yilmaz, were in trouble.

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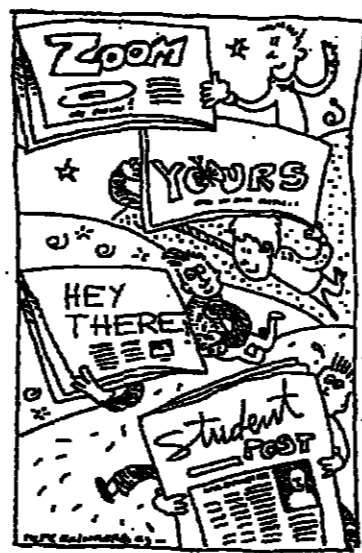
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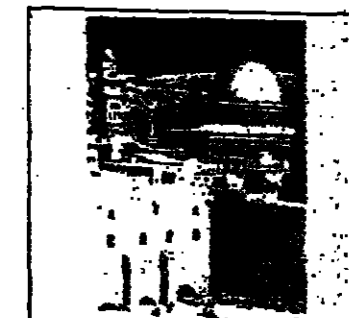
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## Incitement it is not

THERE is nothing unusual about the in-  
vective used in the bitter controversy over  
Jerusalem. The Likud's charge that Labor  
is conducting talks which will inevitably lead to  
the division of Jerusalem is perfectly legitimate,  
and so is Labor's indignant denial.

What is utterly illegitimate and unacceptable  
is to brand the Likud charges "incitement." To  
incite is to commit a felony. To accuse a politi-  
cal party of such a crime is insidious under any  
circumstances. To do so after Yitzhak Rabin's  
assassination is to associate the Likud with the  
murder — particularly when the charge is cou-  
pled with a sudden revelation of death threats  
against Prime Minister Shimon Peres, Internal  
Security Minister Moshe Shahal and Environ-  
ment Minister Yossi Sarid.

It would be far more respectful of the public's  
intelligence to address the substance of the  
charge. That Peres is denying the very existence  
of talks about Jerusalem with the Palestinians  
hardly enhances his credibility. It recalls the  
time he denied the existence of his own letter to  
the late Norwegian foreign minister Jergen  
Holst, in which he promised that the activities  
of Palestinian institutions in Jerusalem would  
be allowed to continue. The simple fact is that  
such talks have been taking place, that they are  
authorized by Minister Yossi Beilin, Peres's  
confidant, and that they are led by the academi-  
cians who cooked up the Oslo formula in 1993.  
Participants on both sides have openly con-  
firmed this.

If there is anything the government can deny  
with some semblance of credibility it is that  
these talks explicitly aim at the actual division  
of the city. Although the Palestinian partici-  
pants seem to realize that the talks lead to the  
city's partition, the Israeli representatives ap-  
parently still hope to "share" the city, estab-  
lishing two sovereignties in it — something they  
euphemistically call an administrative division  
— without actually cutting the city in half.

But such ideas are no more than a pipe dream.  
It is doubtful a city can be shared by two  
governments even if they are both democracies.  
To have a border-less sharing arrangement be-  
tween a democracy on the one side and a police  
state on the other is unthinkable.

The Likud has an even stronger argument  
when it points to the facts on the ground. The

government has the legal means to close down  
Orient House, which serves as the Palestinian  
Authority's foreign ministry. (Rabin once said  
that if Orient House became the PA's foreign  
ministry, the Oslo process would be summarily  
terminated.) Nor is this activity waning. In the  
past two months the PA's acting foreign min-  
ister Faisal Husseini has had more meetings with  
representatives of foreign governments in Ori-  
ent House than in any similar period before. Yet  
the government is unlikely to meet Mayor Ehud  
Olmert's challenge to close the building by the  
end of the month, nor limit its activities.

Nor will the government shut down any of  
the other PA offices in the city, including those  
representing the ministries of economics, reli-  
gion, health, energy, housing, veterans affairs  
and the water authority.

Hassan Tahboub, the PA's religion minister,  
emphasized the significance of the choice of  
Jerusalem when the ministry's office was estab-  
lished in 1994. "No one can deny the efforts of  
president Arafat in defending Palestine in  
general and Jerusalem in particular," he stated.  
"Therefore Jerusalem has been chosen to serve  
as the headquarters of this ministry." Yet Sha-  
hal last night flatly denied the existence of these  
offices, with the same vehemence Peres used to  
deny the existence of the talks.

Nor is this all. The police have arrested a  
couple of Jibril Rajoub's policemen acting as  
law enforcers in the city, and the Arab munic-  
ipal council Arafat tried to revive has been  
neutralized. But hundreds of Rajoub's police-  
men are still active in the city, and courts which  
act as arbiters in the Arab community and in  
cases involving Arabs and Israelis are still func-  
tioning. And, as former OC northern command  
Yitzhak Mordechai pointed out last night, the  
government has halted all Jewish construction  
in the eastern part of the city, while Arab  
construction, both legal and illegal is proceed-  
ing without government interference.

The Likud's charge is eminently pertinent.  
Too many signs indicate that Labor is unlikely  
to let the Jerusalem issue become an obstacle  
in reaching a final status agreement with the PLO.  
And Israelis must have an opportunity to de-  
cide, without being threatened with charges of  
incitement, if dividing Jerusalem is a price they  
are willing to pay for such an agreement.



## Only Assad has time

Syria's President Assad has successfully managed to  
string along both Americans  
and Israelis, who seem to have  
accepted his conception, style and  
negotiating tactics.

What exactly is Assad's style? Well, he's taking his time. The Golan Heights doesn't head his list of foreign policy priorities. And his purpose? He isn't pre-  
pared to develop a warm peace  
with Israel under any conditions.  
He's no King Hussein; he isn't  
even a Yasser Arafat.

Assad is a tyrant of the old  
school — clandestine, security-  
minded, anachronistic, rigid. He is  
more concerned with perpetuating  
his totalitarian rule than with  
opening the gates of Damascus to  
Israeli businessmen and to the  
Americans, bringing McDonalds  
in their wake.

He rules by virtue of domination  
by his security services — for how  
else could the minority Alawite  
sect, despised by Moslems gener-  
ally, continue to rule?

Any effort on Assad's part to  
warm up the relationship with  
Israel would be detrimental to his  
rule.

What this means is that how-  
ever hard Shimon Peres and his  
advisers knock on Assad's door,  
however obsequiously they  
behave, Assad's determination  
will not bend. Whatever is in the  
Alawite interest, that for Assad  
constitutes the national interest.  
And Assad will zealously  
defend his patrimony. He will, for  
example, never agree to symmet-  
rical withdrawals of IDF and  
Syrian forces, which would bring  
his troops back close to  
Damascus.

Concerning water rights, Peres  
must surely remember from the  
days when he was a junior mem-  
ber of Ben-Gurion's cabinet and a  
great devotee of Moshe Dayan,  
that the conflict between Israel  
and Syria in the 1950s was over  
the domination of water resources.  
Why should Assad be more  
accommodating in the 1990s than  
the less ruthless generals who  
ruled Syria in the 1950s?  
Personal security is an article of

### AMOS PERLMUTTER

faith of all Arab dictators, includ-  
ing newly elected dictator Yasser  
Arafat. It was so with Egypt's  
Nasser, and is so with all Arab  
military leaders, most conspicu-  
ously Saddam Hussein.

Prime Minister Peres has admit-  
ted that "water is to a country like  
weapons to an army." Obsessed  
with the threat of missiles, how  
can Peres be sure that a symmetri-  
cal withdrawal of Israeli and  
Syrian troops would guarantee  
that no Syrian missiles could  
reach Haifa?

### Hot pursuit of the cold peace that already exists with Syria

PERES'S goal is clear. He wants  
to win the election — before the  
promised Golan referendum takes  
place. So he is in a hurry. So is US  
Secretary of State Christopher,  
who will wind up his tenure  
regardless of who wins the 1996  
presidential elections.

Christopher is also obsessed  
with a Syrian deal. It is remark-  
able that the secretary of State of  
the US has traveled twice to  
China, not much more to Russia —  
and 18 times to Damascus.

Why this singular honor to  
Syria, a country peripheral to  
American interests, over the cen-  
tral targets of US foreign policy,  
China and Russia?

The Middle East is no longer a  
football between the US and the  
dead Soviet Union, and the threat  
of nuclear eruption no longer  
emanates from it. It is nuclear  
proliferation which should be the  
US's concern, and this relates to  
Iran and Iraq, rather than Syria.

Clearly, the secretary's priorities  
are skewed.

Assad has been emboldened by  
the dramatic changes in Russian  
foreign policy, and by the appoint-

ment of the Arabist Yevgeny  
Primakov as foreign minister.  
Russia will be playing a more sig-  
nificant role in Arab-Israeli con-  
flict resolution, even if it is more  
friendly to Israel than the Soviet  
Union ever was.

For Peres, advancing the negoti-  
ations with Syria is a matter of his  
and his party's career. Were Peres,  
historically a hawk, now in the  
opposition, I doubt whether he  
would advocate returning the  
Golan.

Last but not least, let us not for-  
get the question of Syria after  
Assad. It will be an unstable and  
unpredictable country. No deal  
can guard against the conse-  
quences of a change in regime.

I doubt that the Israeli electorate  
will give Peres a mandate to make  
the kind of concessions he has  
already made verbally and other-  
wise. The personal alliance  
between Christopher and Peres,  
defined by their own ambitions,  
does not reflect real Israeli-  
American national interests.

Any peace with Assad must take  
account of Syria after Assad. The  
Arab Middle East is still volatile  
and unstable. Syria is Lebanon  
writ large, a mosaic of antagonis-  
tic religious and ethnic groups  
ruled by Assad's iron fist.

This may not be true tomorrow,  
and tomorrow's realities will  
affect Israel's northern border.

At best, Peres might achieve the  
coldest kind of peace with Syria —  
a peace of questionable political  
value, since, for all intents and  
purposes, there already is a cold  
peace between Israel and Syria.

Why change the status quo  
when it is clearly advantageous  
mainly to one side?

Israel's peace treaty with Jordan  
is warm, strategic, and serves the  
interests of both parties. A peace  
treaty with Syria will be at the  
expense of Israel's security, serv-  
ing only to strengthen Assad's  
totalitarian rule.

The writer, a political scientist,  
is a fellow of Tel Aviv University's  
Jaffee Center and the Begin-Sadat  
Center at Bar-Ilan University.

# Hands off

SHLOMO AVINERI

The Board of Governors of  
the Jewish Agency is meet-  
ing this week in Jerusalem.  
Among the items on its agenda is  
a proposal for a drastic change in  
its organizational structures deal-  
ing with the main reservoir of  
aliya to Israel — the former Soviet  
Union (FSU).

This is the wrong time to start tin-  
kering with a structure which may  
need reforming — like any other  
bureaucratic structure — but has  
been instrumental in bringing more  
than 600,000 immigrants from the  
former Soviet Union to Israel and  
continues to be responsible for an  
aliya which has stabilized over the  
last four years at around 60,000-  
70,000 immigrants a year.

But the issue is not the organi-  
zation itself or its chains of com-  
mand; it is one of politics.

Russia is currently experiencing  
a period of uncertainty and instab-  
ility. Reforms have, for all prac-  
tical purposes, collapsed; the last  
reformers have been squeezed out  
of power, and the process of  
democratization is stuck.

President Yeltsin, once the icon  
of democrats and reformers, has  
thrown in his lot with the nation-  
alist and authoritarian forces of  
Russian society.

Moreover, in the presidential  
elections to be held on June 16, it  
is far from certain that even such  
an alliance with the authoritarian  
forces in Russia will ensure  
Yeltsin's reelection. In the parliam-  
entary elections last December,  
his party barely managed to pass  
the 5 percent hurdle.

It is conceivable that the next  
Russian President will be the  
Communist Gennady Zyuganov,  
or the arch-nationalist Vladimir  
Zhirinovskiy. It is equally conceiv-  
able that in order to forestall defeat,  
Yeltsin may postpone the elections  
and do away with the vestiges of  
what is left of democracy in Russia.

Yeltsin's own precarious health  
is another question mark hovering  
over stability.

ALL THIS should not cause undue  
alarm on a strategic level.  
Communism as a world power is  
dead, and the Soviet Union as we  
knew it in the years of the Cold  
War will not — cannot — be revived.

But a period of instability, inter-  
nal strife, even "civil war"  
(Yeltsin's own words last week

## Let us not endanger the future of the Jews still left in Russia

when announcing his candidacy)  
should not be ruled out. Under  
such circumstances, many Jews  
may feel uneasy, insecure and  
threatened — which could lead  
them to try and get out, quickly  
and en masse.

In such a situation, it is impor-  
tant that Israel, and the Jewish  
people, be ready. An existing  
structure able to handle massive  
pressure for aliya under semi-  
emergency conditions is already  
in place. The best of administra-  
tive reforms needs a testing period  
of one to two years.

If the existing system were to be  
replaced by another — even one  
that is theoretically better, the  
Jewish people could find itself in  
summer 1996 with the existing  
system dismantled, and the new  
one not yet in place.

History will not be merciful in  
judging those responsible for try-  
ing out alternative administrative  
theories in a moment of a possible  
and quite foreseeable emergency.

Of course, things may turn out  
less dramatic than envisaged. But  
nobody knows. The next 5 or 6  
months will be the most crucial  
for the history of Russia — and for  
the fate of its Jewish community.

This is no time for experiments.  
The agency's Board of Governors  
should postpone any discussion of  
administrative reorganization  
(involving hundreds of emissaries  
and scores of existing centers)  
until the outcome of the Russian  
elections is known.

In doing this, it will cause no  
great harm. On the contrary: It  
could avert a historic blunder, at a  
crucial moment of Jewish destiny.

## POSTSCRIPT I

SUITORS UNSURE about the  
commitment they are making  
have taken to renting engage-  
ment rings in case things don't  
work out.

"We do get some people with  
cold feet," said Eric Diaz, man-  
ager of a Rent-A-Center store in  
Boston. "If they don't like them  
[the new fiancé] they separate  
and return the ring."

Diaz said that of the 75  
his branch rented out in 1995  
were returned.

The writer is former secretary-  
general of Tsomet.

## LETTERS TO THE EDITOR

### JAFFA'S FISHERMEN

Sir, — While the ancient port of  
Jaffa is known as one of the oldest  
ports in the world, visited by hun-  
dreds of thousands of Israelis and  
foreign guests every year and its  
name appears on every geographical  
map throughout ancient and modern  
times, its small but active fisher-  
men's community enjoys little to  
none of this attention. Very much to  
the contrary, and for generations,  
this hard-working group producing  
thousands of tons of seafood for the  
Israeli market has endured most dif-  
ficult conditions.

For years, the representatives of  
the Fishermen's Union, headed by  
Uri Sharon, tried in vain to rectify  
the situation. They only received  
promises which were never honored  
by previous management. Misman-  
agement since 1993 is worse than  
ever. The port manager Joseph Ovad  
(known for his involvement and  
controversial court appearance in the  
Herzliya Marina affair) and the  
port comptroller David Zur were  
unfortunately put in charge of this  
important port and its community.  
The present situation in the port  
reveals their inability to function as  
required.

While large amounts of public

funds are being spent on transform-  
ing the previous manager's office into  
a modern work place for more  
managers and secretaries, computer-  
ized systems, air-conditioning and  
reserved parking, the only people  
benefiting from all this are the pub-  
lic servants themselves.

Where private yachts are entitled  
to minimal resources, the 240 fisher-  
men operating 80 fishing boats are  
treated with discrimination and have  
to deal with an unsafe port entry,  
crowded moorings, insufficient wa-  
ter and electricity supplies, lack of  
storage space, an ineffective gar-  
bage and chemical waste collection  
and disposal system, dangerous  
roads, ever-growing pollution, inad-  
equate fire protection and a security  
situation which leaves much to be  
desired.

When will the ministers of trans-  
port, agriculture and finance accept  
the fishermen and tradesmen of Jaf-  
fa port as an integrated and insepar-  
able part of the greater Israeli society  
and honor their promises to them? A  
first step would be professionally  
functioning management.

HARI RINGER,  
Jaffa Port

### NEW COMPUTERS AT THE 'POST'

Sir, — I am in general appreciative  
of the column of Daniel Baum. His  
comments on computer programs are  
pragmatic and informative. But I  
got confused by his column of Feb-  
ruary 4, where he explained the  
Post's new computerized layout  
system. At one place he writes:  
"Hopefully, you will not have no-  
ticed any difference." At another  
place, he states: "The pages pro-  
duced actually look better than they  
used to."

As far as I am concerned: I did  
notice that headlines on more and  
more inner pages and one day even  
on the front page had begun looking  
squeezed. I suspect that the new and  
sophisticated expensive system has  
one serious and quite silly handicap:  
it seems it can only handle the big-  
gest headline forms when they are  
made more or less square: the ele-  
gant Times Roman has to be cur-  
tailed in order to use at least the  
width which the system allows,  
which does not exactly add to its  
style and quite ruins the impression  
of a whole page.

BEATE ZILVERSMIDT  
Holon.

### THE CAPITAL OF THE NETHERLANDS

Sir, — The question put almost  
daily to the Netherlands Embassy in  
Tel Aviv is about the capital of the  
Netherlands: is it Amsterdam or is it  
The Hague? The correct answer is:  
Amsterdam is the capital. The  
Hague is the city where the govern-  
ment is located.

This typical Dutch compromise  
has its roots in an century-old devel-  
opment. Already in the Middle  
Ages, The Hague was the home base  
for the most powerful local nobles:  
the counts of Holland. In those  
days, The Netherlands was not a  
single nation but a loose collection  
of seven provinces: from 1579 to  
1795 these provinces were governed  
from The Hague.

The real economic and political  
power was to be found in Amster-  
dam, which was then one of the  
most important cities in the world.  
In 1814, after the occupation by  
Napoleon's army, the Netherlands  
was established as a united country.  
The 1814 constitution reflected this  
practice and Amsterdam became the  
national capital while The Hague  
remained the center of government  
and parliament to this day.

ROBERT SCHUDDERBOOM,  
First Secretary,  
Royal Netherlands Embassy  
Tel Aviv.

### CANADIANS IN UNDOF

Sir, — I noted with interest the  
caption accompanying the photo-  
graph of the Japanese soldiers on the  
front page of your February 4 issue.  
I am concerned that this caption may  
have encouraged your readers to  
think that the entire Canadian con-  
tingent was leaving the UN Disen-  
gagement Observer Force (UN-  
DOF) on the Golan Heights. In point  
of fact, the Japanese contingent will  
form only a small part of the logis-  
tics organization which will contin-  
ue to include some 187 Canadians.

Canadians look forward to work-  
ing with the Japanese in the provi-  
sion of logistics support for UNDOF  
and we remain completely com-  
mitted to the peace process in the Middle East.  
DAVID BERGER,  
Canadian Ambassador to Israel  
Tel Aviv.

### COMMENDATION

Sir, — Instead of suspending Dr.  
Amnon Ben-David, director of Magen  
David Adom's blood services, for  
destroying the blood donated by the  
Jews from Ethiopia, he should be  
given an official commendation  
for preventing tens, perhaps scores,  
of innocent Israelis from becoming  
infected with the HIV (Aids) virus.  
MACABEE DEAN  
Ramat Gan.

ROLAND KOSTER  
Tel Aviv.

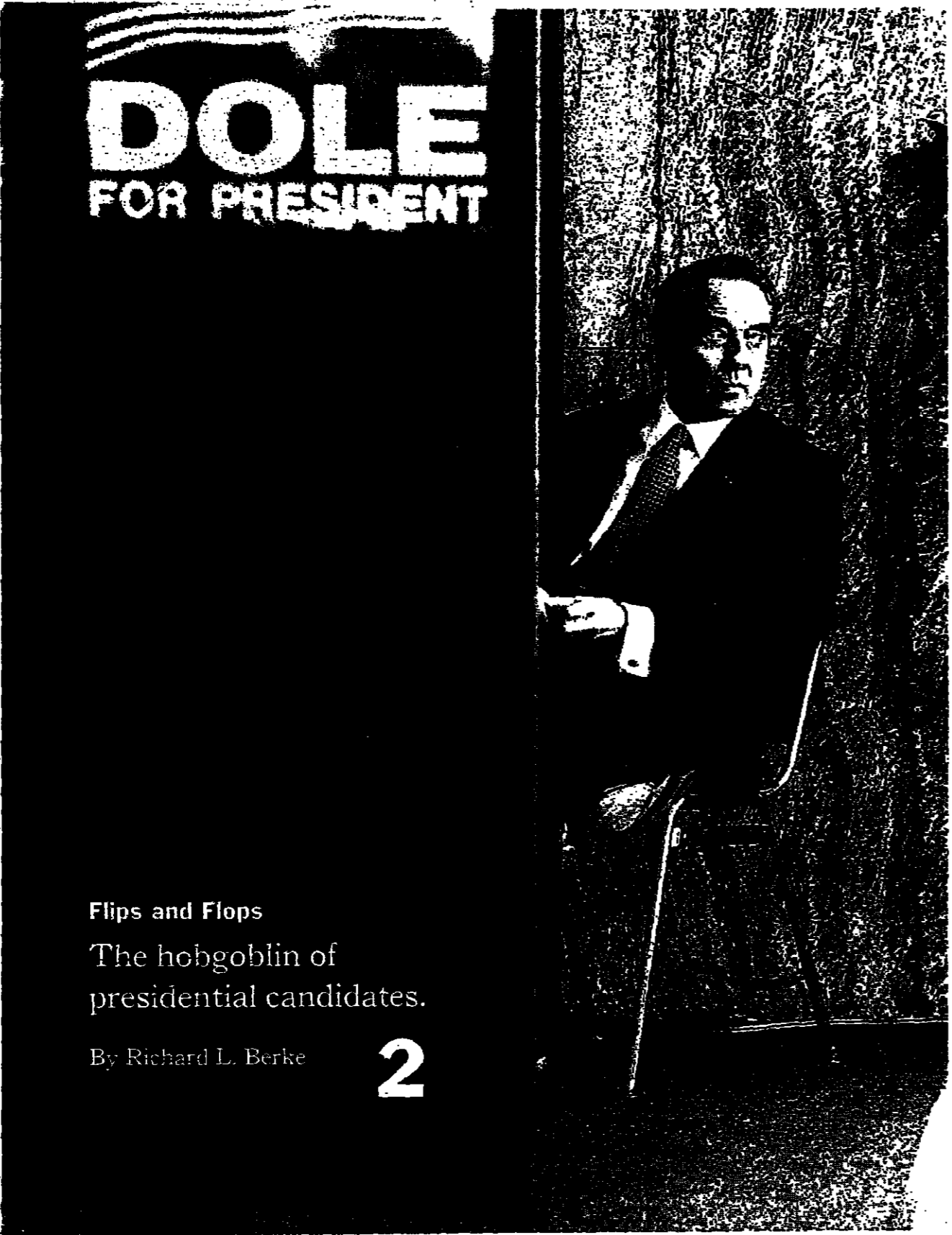
### SKIING

Sir, — In her article of February 20  
on Club Med's winter resorts, Judy  
Rabinowitz does not mention cross-  
country skiing but only downhill  
skiing.

Cross-country skiing is so popu-  
lar in Europe that Club Med oper-  
ates it in all its winter villages.  
Among its numerous advantages is  
the fact that cross-country skiing is  
not dangerous: you can fall as much  
as you want without breaking any-  
thing and you can practice it at any  
age.

ROLAND KOSTER  
Tel Aviv.

Jayco USA



Flips and Flops  
The hobgoblin of  
presidential candidates.

By Richard L. Berke

2

Hollow Victory  
Between past  
and future falls  
Afghanistan.

By John F. Burns

3

Hail to the Chief  
Knickknacks for  
Presidents' Day.

Photographs by  
Paul Hosefros

2

Nuclear Secrets  
Telling the truth  
without blowing  
up the world.

By Matthew L. Wald

4

## America's Burden

# At Hour of Triumph, Democracy Recedes As the Global Ideal

By JUDITH MILLER

**T**HROUGHOUT the world's longest experiment with democratic government, America has always thought of itself as morally obliged to export its way of life. What the White Man's Burden was to Kipling's generation of Englishmen, the promotion of democracy has been to four generations of Americans — the foreign policy equivalent of apple pie. Ever since Woodrow Wilson vowed to make the world safe for democracy, most Presidents have rhetorically endorsed this goal.

But now, less than a decade after democracy's greatest leap forward, the idea that America must promote it everywhere has lost some of its charm. Funds for encouraging elections overseas are drying up as the Clinton Administration struggles simply to secure peace in Bosnia, the Middle East and elsewhere. In part this reflects the reluctance of Americans to send their dollars abroad. But it also hints at a deeper change — a new sense that Americans doubt that every country in the world would be better off if only it had more democracy.

Of course Washington's actions have often been inconsistent with its lofty words. Some American actions ignored democracy altogether and simply made a corner of the world safe for United Fruit. And when, during the cold war, Presidents from John F. Kennedy to Ronald Reagan proselytized for democracy, they did so selectively, and primarily to stop Communism.

Later, when the Soviet Union collapsed, the global triumph of democracy seemed for a while not only inevitable, but a laudable end in itself, a development that would, incidentally, enhance American national economic and security interests.

But is this true? A debate is now raging. To some extent, recent Administrations have had little choice but to embrace efforts to advance democracy abroad. Surprised by the democratic wave from Chile to South Africa after the fall of the Berlin Wall, the Bush Administration went so far as to suggest that promoting democracy was a goal of its war to liberate Kuwait (which never was, and isn't now, democratic). Not to be outdone, President Clinton in 1993 created new posts in the State Department and National Security Council for the purpose of spreading democracy, and set up a committee to consolidate financing for such activities. He also proposed a 60 percent increase in funds for the National Endowment for Democracy, the foundation Congress created in the Reagan years to pay for fostering elections overseas, among other things.

Recently, however, supporters of such pro-democracy programs have found themselves lobbying to preserve the Endowment's \$35 million budget and prevent

Congress from cutting the more than \$725 million that the Administration estimates that it has spent on democracy-related programs in fiscal 1995.

It seems unlikely that Congress will abandon direct promotion of democracy altogether. But many policy makers and private analysts now say they are less sanguine about democracy's prospects, more sober about the difficulty of promoting it and more skeptical about whether its triumph in several strategic countries would enhance American interests.

Mr. Clinton, too, has gradually de-emphasized the goal he once championed, says Thomas Carothers, a former State Department lawyer and senior associate at the Carnegie Endowment for International Peace. "With the single exception of Haiti," Mr. Carothers recently wrote in *The Washington Quarterly*, "Clinton has not, relative to Bush, substantially increased the U.S. emphasis on democracy promotion in any country or region." Mr. Carothers, incidentally,

**Suddenly not every democrat is being portrayed as an ally, and not every ally as a democrat.**

tally, thinks this is a sensible step toward realism.

What explains this unease? First, the democratic trend that seemed inevitable after Communism's fall has slowed, and in several regions has been reversed. Consider Yugoslavia, where elections meant only the end of the pluralism and tolerance that Americans take for granted as essentials of democracy. Or Poland and the Czech Republic, where voters disenchanted with slipshod administrations have elected former Communists to run their countries better. Or Russia, where the rise of ethnic, religious, and nationalist passions has led Washington to back Boris Yeltsin, the best of a bad lot of would-be czars-through-election.

Fareed Zakaria, managing editor of the bi-monthly *Foreign Affairs*, argues that while there are more signs of "democratization" — especially elections — there are fewer democracies. "Serbia held elections, reasonably fair elections," Mr. Zakaria writes in a forthcoming essay. "And the Serbs chose Milosevic, a xenophobic dictator." In this argument, elections are just one

Continued on page 3

### America's Culture Gaps

# The Tribulations of the Not-So-Living Arts

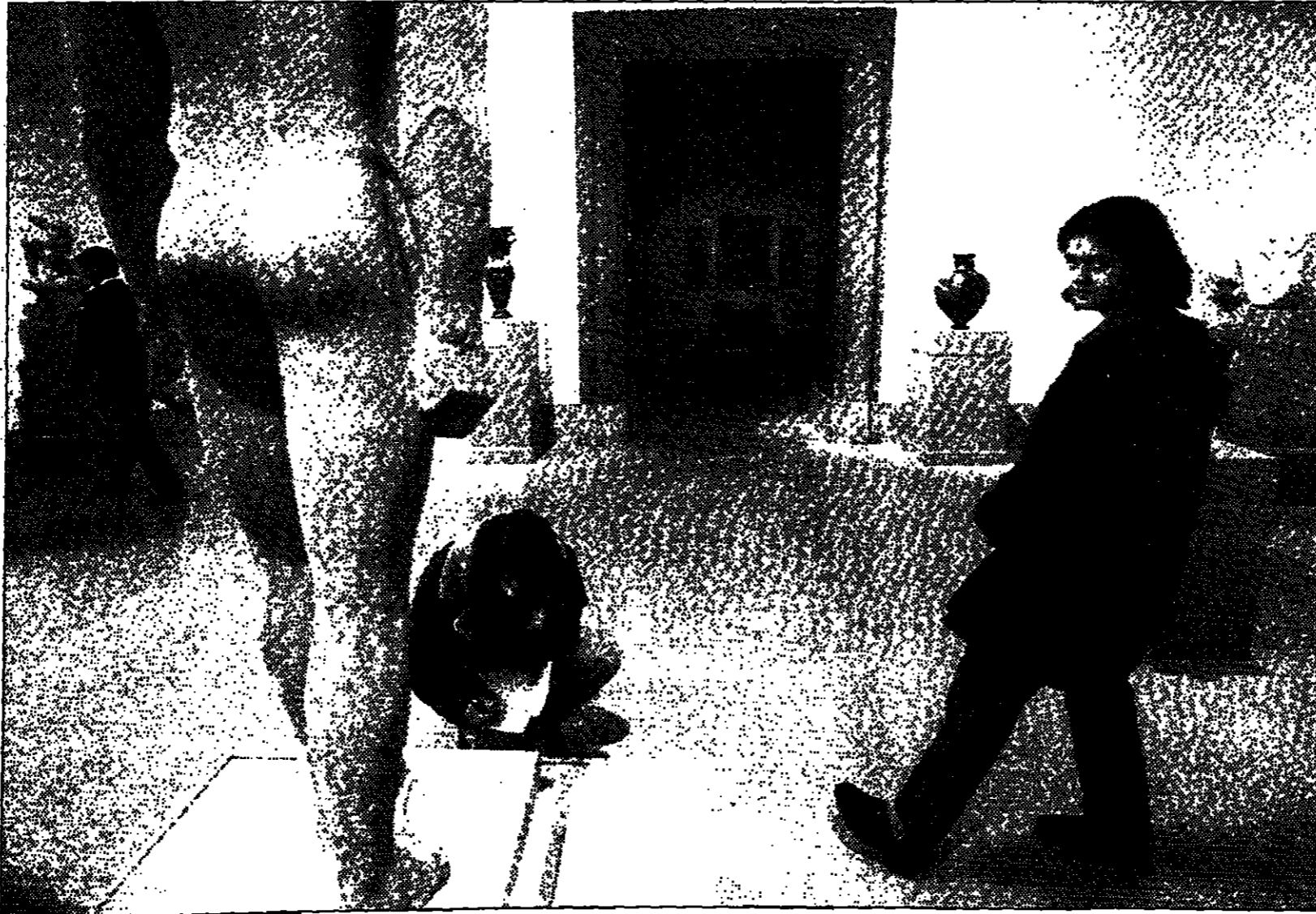
By EDWARD ROTHSTEIN

**D**URING the last 10 years, a low-grade fever has been evident in the arts. It lies just below awareness, like a dull toothache that can still be ignored. The promotion of concerts and dance series continues; the biggest stars draw crowds and sell subscriptions; administrative staffs of institutions raise funds for endowments, and long lines form for every major museum show.

But the patient is ailing, and anxiety is commonplace. A report by the American Symphony Orchestra League has suggested that orchestras consider playing more pop and ethnic music to attract diverse audiences. The National Endowment for the Arts, a bureaucracy hobbled by budget cuts and controversy, sees its effectiveness slip away, while the arts lobby grows more distraught.

The major institutions, wondering where the next generation of audiences is coming from, are raising education budgets to compensate for public schools' failings. Paintings and operas tend to become more explicitly political as other aspects of the artistic enterprise are devalued. In the universities, the concept of "masterpiece" has been challenged. Music ensembles try to redefine themselves in a more popular mode; theaters mount revivals; classical record companies worry what to do as recordings of Beethoven's Fifth proliferate.

Last week some hard data, in the form of two studies commissioned by the N.E.A., emerged to support the anecdotal evidence circulated in recent years like a hospital chart among interns: "Age and Arts Par-



At art museums, attendance is up, but concert halls and theaters are struggling. Above, the younger crowd at the Metropolitan Museum of Art.

ticipation with a Focus on the Baby Boom Cohort: 1982-1992," was based on interviews with 10,000 American adults.

Judith H. Baife, a sociologist at the City University of New York's College of Staten Island and a co-author of the report, said she found "many simply with no interest in these arts, others with real hostility toward them." Richard A. Peterson, a sociologist at Vanderbilt University and another writer of the report, which tracked the decrease in attendance along generational lines, said he sees a "massive shift in taste and tradition" as pop music and mass culture displace arts once considered among humanity's highest accomplishments. Yet another study on art-related philanthropy, commissioned by the President's Committee on the Arts and Humanities, makes dire predictions including a "decline in the notion of stewardship, of civic culture itself."

Far from surprising anyone, these findings seemed to confirm experience. An earlier N.E.A. report, "Arts Participation in America, 1982-1992," singled out the level of education as the most important variable affecting participation in the arts. The current report argues that the notion doesn't seem to hold for highly educated baby boomers and suggests that education may have changed during that postwar span. The proportion of the population that has had music lessons, for example, dropped to 40 percent in 1992 from 47 percent in 1982. The decline in public school arts education is a harbinger of more severe problems.

Such a decline, however, may be a symptom rather than a cause. Con-

Continued on page 4

# The Nation

## Left, Right, Left: The Primaries Turn Politicians Around

By RICHARD L. BERKE

**A** NEW Bob Dole showed up in this state last week. Not the one who shuttles on corporate jets from his condominium in Bal Harbour, Fla. This Bob Dole was heading for the eastern front in the class war, marching shoulder to shoulder with the working stiff.

Senator Dole's transformation, however momentary, can be traced to Monday night, when he just barely managed to win the Iowa caucuses. Frightened by Patrick J. Buchanan, who placed a close second and is a threat as Tuesday's primary here approaches, Mr. Dole echoed his rival's blue-collar lament. "Corporate profits are setting records — and so are corporate layoffs," he asserted in his first speech after arriving in New Hampshire.

The shift is striking in the case of Mr. Dole, a highly experienced politician with a voluminous and generally consistent public record. But he is hardly alone. President Clinton is famous as a flip-flopper, as was his predecessor, George Bush.

### In the System

These changes of heart are easy to dismiss as mere political pandering. But they represent something more than disingenuousness. For the pressures that push politicians off their preferred places on the ideological spectrum are locked into the electoral system. Voters demand loyalty to an ever-shifting set of regional interests and popular notions even as they cry out for consistency.

Mr. Clinton, who has sent confusing signals on foreign policy, taxes, even his basic view of the role of the Federal Government ("The era of big government is over," he

**Gramm's campaign made a certain point: a consistent candidate is often a losing one.**

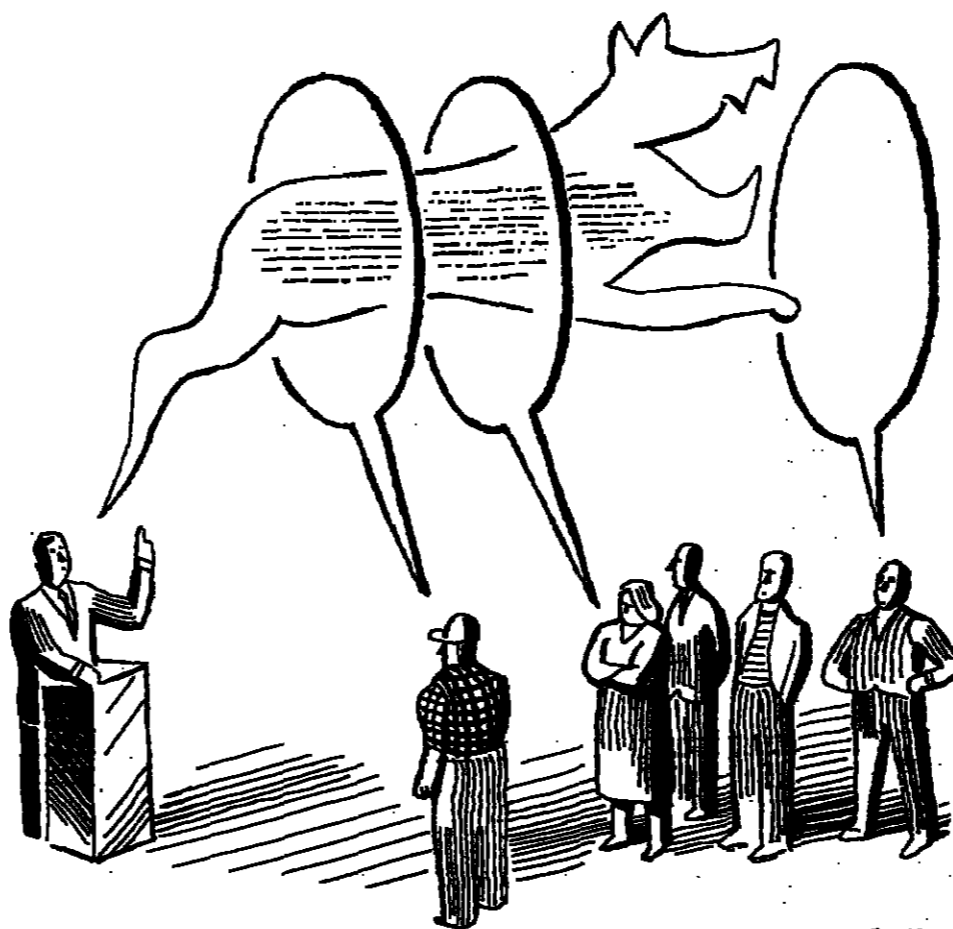
declared just two years after proposing a top-down reorganization of the entire national health-care system), leads in the early Presidential polls. These days, a consistent politician is often a losing politician.

Senator Phil Gramm of Texas is a classic case. No matter the occasion — even at an anti-gay rally in Des Moines the other day — he would dwell on the same economic message about spending cuts and budget-balancing that he has championed for all his years in Congress. Last week, his poor showing in Iowa forced him out of the race.

Mr. Dole himself learned the risks of consistency while being accused of inconsistency in the New Hampshire primary eight years ago. When he refused to sign a pledge not to raise taxes, he was labeled "Senator Straddle" in a particularly damaging campaign commercial by Mr. Bush. This time, Mr. Dole signed the pledge on the day he announced his candidacy.

The competing impulses to please and to stand firm are only ratcheted up in the glare of the primaries. Under the current system, candidates find themselves tailoring their messages to small, often narrow, constituencies. From Iowa, where religious conservatives are pivotal in the caucuses, candidates headed to this state, where anti-tax fervor and trade issues are center stage.

"This is the silly season and that's why you have to go back to people's records," said Grover Norquist, president of Ameri-



David Suter

cans for Tax Reform. "Things that are said in the heat of battle are terrible ways to judge people."

Indeed, hot issues emerge on which candidates are forced to take positions. Often, candidates believe that they have no choice but to respond to their competition — and often to narrow issues that seem crucial in New Hampshire but fall flat when the race moves to Delaware the following week.

### Scared by a Bear

Stanley Greenberg, who was Mr. Clinton's pollster in the 1992 primaries, recalled that his candidate stopped pushing his middle-class tax cut after New Hampshire because a rival, former Senator Paul Tsongas of Massachusetts, relentlessly attacked him for it. "The candidates who get the high ground, who are able to set the agenda, will have an impact on what aspect of your perspective that you'll emphasize," Mr. Greenberg said. "Tsongas was successful in characterizing the middle class tax cut as

pandering." Mr. Tsongas even had a "pander bear" that he toted to news conferences.

The Republican contenders spent much of last year's run-up to the 1996 campaign taking on big government. But the rise of Steve Forbes, the publishing magnate who built his candidacy around the flat tax, led the candidates in a debate several weeks ago to emphasize how their politics could spur economic growth. Now that Mr. Forbes has taken a dive in the polls here, his issues have also been sidelined. In their debate in Manchester last week, candidates took up the issue of trade.

"What you would like is for candidates to take consistent positions and demonstrate real leadership on them," said Richard G. Niemi, a political scientist at the University of Rochester. "But these days, I don't know if that's possible. Maybe the system is too demanding of these guys — to be in front of the public every day and have your every word analyzed, you don't even have the time to think."

Hasty turns to the left or right can back-

fire when the nominees play to a broader electorate in November. "It does really contribute to the cynicism of the voters," said Senator John McCain of Arizona, who was chairman of Mr. Gramm's campaign.

### Tilting Right

Mr. Dole's decision to criticize corporations may be inevitable given the state of the Republican primary race. For most of last year, the majority leader considered Mr. Gramm his biggest threat. So he tried to tack to his right on social issues. And, worried that he was overshadowed by Speaker Newt Gingrich, he did his best to identify himself with House Republicans — at least until voters began souring on them.

Mr. Dole is no more fickle than many of his rivals. Mr. Buchanan, who attacked Mr. Dole in the debate Thursday for "pirating my ideas and parroting my rhetoric," has shifted here and there, too. Four years ago, when he took up Mr. Bush in the primary here — at a time when workers were suffering — Mr. Buchanan abruptly abandoned his long-held support of free trade.

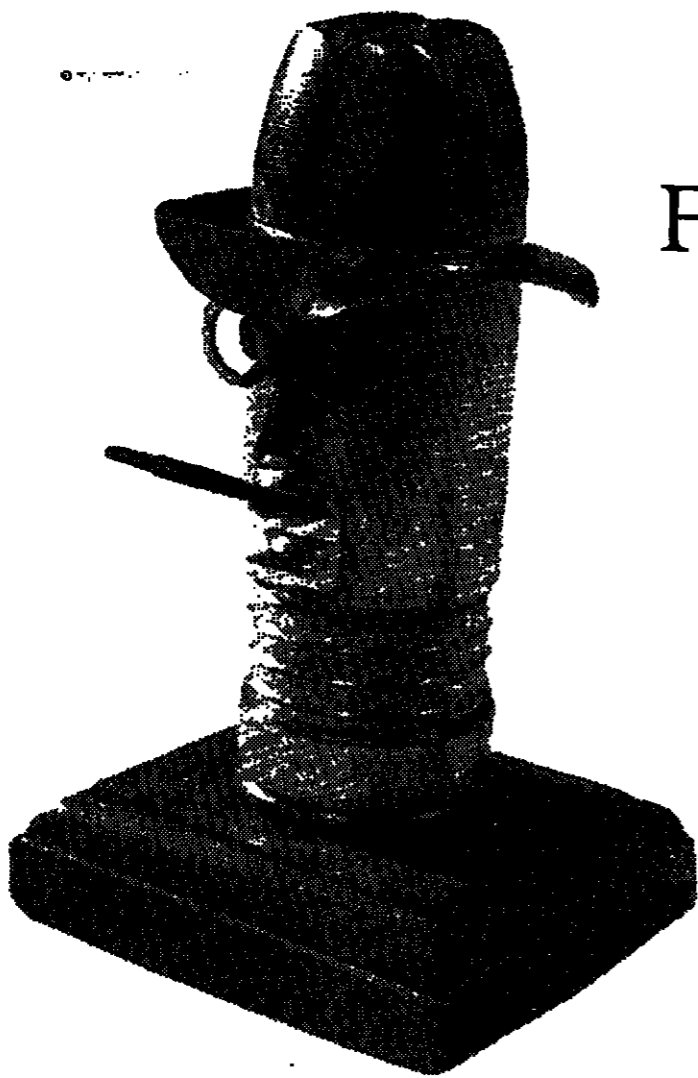
"It is a foreign policy of inertia and nostalgia," he said of his former free-trade advocacy. "Lord help me, I used to be one of them." In an interview, Mr. Buchanan explained his reversal by saying that "the political cause of my lifetime — anti-Communism, the cold war — it's over," and that it was time to "start looking out for No. 1."

And while Mr. Dole was borrowing from Mr. Buchanan last week, Mr. Buchanan was borrowing one of Mr. Forbes' lines when he declared: "We come here to New Hampshire now with our crusade to put America and Americans first really brimming with hope, growth and opportunity."

Nor should former Gov. Lamar Alexander of Tennessee get off the hook. Mr. Alexander, who served as Secretary of Education, has more recently called for abolishing the Education Department. In New Hampshire, he took up a new cause the other day, against "environmental extremists."

Gov. John M. Engler of Michigan, a popular Republican who has not endorsed a primary candidate, said that in his own races he tries not to become preoccupied with figuring out just what the voters want.

"Voters can be very demanding — they can be very arbitrary as well," Mr. Engler said. "They can be very unrealistic in their expectations. Sometimes you get so wrapped up in trying to appeal to a subset of the electorate, that you can miss the winning message."



Photographs by PAUL HOSEFROS/The New York Times



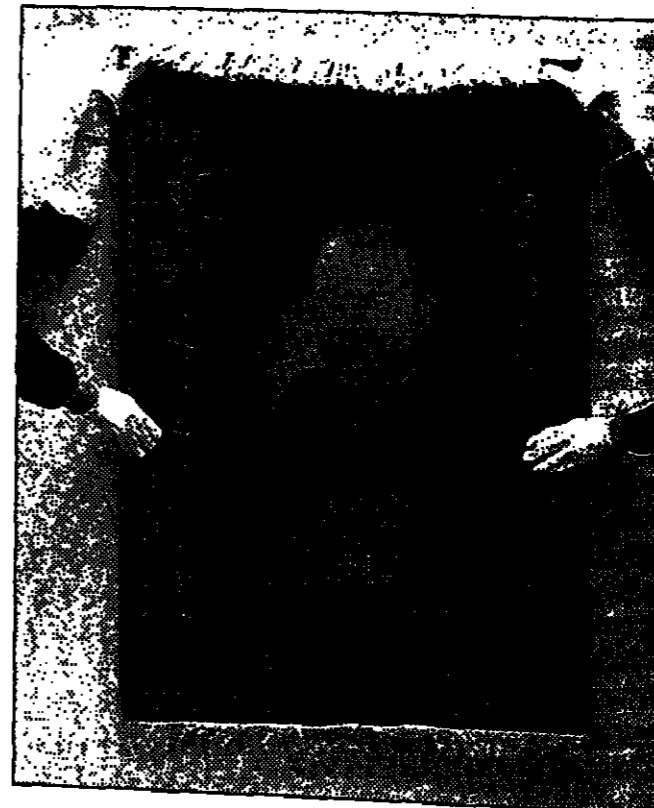
## For the Kitschmeister in Chief Who Has Everything

**F**ORGET the 1996 primaries and their ugly humiliations: Presidents still command plenty of respect. Check out all those commemorative appliance sales on Presidents' Day tomorrow. And how about the exhibit now being prepared at the National Archives in Washington? It will display not only the ornate formal gifts to Presidents from foreign heads of state and other noteworthies, but also thoughtful tributes crafted by ordinary Americans. It opens March 22 and runs until next February.

**HARD OUTER SHELL** During World War II, a Cleveland dentist, Dr. Bernie Cooper, saluted Franklin D. Roosevelt with 37mm antitank ammunition.



**SHOWING TEETH** The clay pins of the Clintons at left were created by Bill and Patricia Pae of Morrisville, Pa.



**FLOORED** This rug for Gerald Ford was woven by a Californian, Haroutim Tabakian.

**RED INK?** Lyndon Johnson needed all those pens to sign the Great Society legislation he got through Congress. The wooden sculpture at left was carved by Gene Zesch of Hye, Tex.

Jeviscoliso



# The World

## The West in Afghanistan, Before and After

By JOHN F. BURNS

**A**BDUL RAQIB is a man who walks through minefields for a living. An old Soviet army bayonet in one hand and an American-trained sniffer dog in the other, Mr. Raqib goes hunting for some of the 10 million land mines left when Soviet troops were trying to maintain the Kremlin's grip on Afghanistan and United States-backed Muslim guerrillas were fighting to dislodge them.

Mr. Raqib is one of 3,000 people employed by the United Nations in a project to clear 50 square miles of "priority" minefields across Afghanistan by the end of next year. After that, there will be another 140 square miles to clear, enough to keep Mr. Raqib and his team busy well into the 21st century, assuming continued aid from the Western

**Russia gives only weapons. The U.S. forwards a little cash and keeps its distance.**

nations that finance the project's annual budget of \$25 million.

In the old grazing fields of Injeel, on the western side of this ancient city, Mr. Raqib paused along a corridor of red-painted stones and pointed to the hazards: British, Italian and Iranian anti-tank mines that were laid to stop Soviet armor from approaching a stronghold of the Muslim "holy warriors" backed by the West. When the guerrillas planted the mines, the Russians used bombers instead. Injeel today is a vista of rubble, broken here and there by the tattered tents of refugees.

In this arid spot, as elsewhere amid the ruins of Afghanistan, there are moments to ponder what outsiders accomplished during the final confrontation of the cold war. With tanks and bombers and the more personal viciousness of the K.G.B., the Kremlin tried to wrench an ancient Muslim society into the straitjacket of Communism. With at least \$5 billion of American taxpayers' money, the United States challenged the Kremlin with guerrilla proxies. The guerrillas won, but Afghanistan lost.

Today, what is left is hardly a country. It



The cold war left an array of fiefs. Herat is ruled by the Taliban, an army of students-turned-fundamentalists, like the soldier above.

is more a patchwork of fiefs run by a nightmarish assembly of warlords and drug-runners and Islamic fundamentalists using weapons that were mostly provided by Moscow and Washington. The current landlords in Herat are the Taliban, originally a group of Islamic fundamentalist "students" but degraded now, after conquering half the country, into little more than another armed, marauding mafia. Near the border with Iran, the Taliban are re-enacting scenes from the ayatollahs' handbook, with public executions and amputations, and the exclusion of women and girls from jobs and schooling.

Men like Mr. Raqib look back on the Soviet occupation of the 1980's as a sort of political mirage, a time when men fought

for causes that seem now nearly as pointless as the civil war between the Muslim factions that ensued. "Russia is very bad, and America is also quite bad," said Mr. Raqib, who was a Muslim guerrilla back in the 80's. "How to choose between them?"

### From Russia, Zero

A counterargument can be drawn from the United Nations' list of contributors to the mine-clearing project: \$1.8 million from the United States last year, out of a total budget of \$12 million from Western countries, and nothing from Russia. The pattern recurs in the wider relief programs run by the United Nations and non-governmental organizations like the International Com-

mittee of the Red Cross. This year, the United States is expected to contribute \$40 million to \$60 million toward emergency food relief, medical assistance, school and hospital rebuilding and a score of other projects. Russia, again, is a virtual no-show.

Worse, Russia is once again a significant arms supplier, along with India and Iran, to the government in Kabul controlled by Ahmad Shah Massoud, a former guerrilla commander who was the bane of Soviet forces in the Panjshir Valley north of Kabul. Arrayed on the other side, in support of the Taliban, are Saudi Arabia and Pakistan — Saudi Arabia to spite Iran, its nemesis in politics and religion, and Pakistan apparently because it sees the Taliban, which is made up mainly of Pashtuns, as a guarantor

of future influence here for Pakistan, with its own large Pashtun population.

This time, the United States is sitting it out. Officially, American policy has been to back Mahmoud Mestiri, a former Tunisian foreign minister who is the most recent United Nations peace envoy to spin his wheels in efforts to drag the Afghan factions out of the morass. Unofficially, Washington's policy has been to distance itself from the mess. "The attitude is, we don't have a dog in this fight," said one American diplomat in the region. "After the Russians went home in 1989, we waited just long enough to be sure that their proxies in Kabul collapsed, then we went home, too. We rolled up our Afghan maps."

### Sacrificed for Reagan

This attitude is bitterly criticized in Afghanistan. In the self-excoriating litany of the despairing Afghan, it is common to say that Afghans were cannon fodder for the cold war, sacrificed to Ronald Reagan's showdown with the Evil Empire. From this, it is a short step to argue that the United States, which helped to destroy the country, is morally bound to rebuild it. Among Afghans, the measure of America's faithlessness is taken from the amount it spent on weapons for the guerrillas, perhaps \$500 million a year, compared with the fraction Washington gives now for relief.

The arguments have their echo within the State Department, where fighting that began in 1989, before the Soviet troop withdrawal, continues in another form today. Then, the dissenters argued that the United States should halt, or severely curtail, the flow of arms to guerrilla groups that were turning Afghanistan into a mass of poppy fields for the heroin trade, or saving their weaponry to use on each other once the Russians left. Now, some of those who opposed the open spigot for the guerrillas are saying the United States has practical, if not moral, reasons to become more deeply involved.

Opponents have powerful arguments to make, from the scarcity of American aid in the New Gingrich era to the despair of finding any diplomatic strategy that might bring reason to a country that has spun into self-sustaining madness. Others have argued, with little success, that a policy that relegates Afghanistan to insignificance, particularly when it is at risk to Muslim fundamentalism, is one that has forgotten history, and what it has to teach about the importance of Afghanistan as a buffer state in the volatile geopolitics of Central Asia.

### An Economic Basket Case

## In North Korea the Threat is Total Collapse

By ELAINE SCIOLINO

**J**UST two years ago, the Clinton Administration's biggest fear about North Korea was its determination to develop nuclear weapons — a determination that could have led to war with the South. That worry was allayed after North Korea promised not to pursue atomic weaponry, in exchange for help with more benign nuclear power plants. But now, the United States has a different worry — that North Korea is in so much trouble economically that it could fall apart. Rather than eliminate a threat, a sudden collapse could touch off internal chaos, a flood of refugees and — if things got truly desperate — war with the South.

South Korea, even more than the United States, is eager to avoid a sudden collapse of the North Korean regime. It is not just the threat of another war. South Korea's leaders are just as concerned that the North could fall the way East Germany did and, despite their stated commitment to reunification, they are extremely reluctant to make any real moves in that direction as long as the North remains an economic basket case.

In recent months, a wealth of anecdotal evidence — severe food and energy shortages, an increase in defectors, a dramatic scaling back of annual military ground exercises — suggests a country in economic crisis and a leadership struggling to cope with it.

One difficulty the United States faces in figuring out what to do in response is that North Korea is the black hole of Asia — an isolated, rigid, Stalinist regime whose policies, capabilities and intentions are nearly impossible for the outside world to divine.

Another is that for years, American intelligence agencies have focused hard on North Korea's 1.2 million man army and its nuclear weapons program. The satellites and other secret intelligence gathering told America a lot about where the tanks were pointing and whether their engines were running, but little about whether peasants had enough to eat or whether the leadership was secure. So it is hard now to know just what to make of the anecdotal reports now emerging, and even harder to know how to react to them.

"For a long time there was little attention paid to such things," said Toby Gati, the State Department's most senior intelligence official. "If it was not an indication of war, there was no way to put it into the charts. The main focus of our analysis was and continues to be whether and under what conditions the North would invade the South. This is still crucial because of our troops. But a country is more than a tank, and now we have to have more than a one-dimensional look."

### Floods and Ox carts

The task of analyzing the country's economy has become more crucial following floods last summer that wiped out entire villages and a large percentage of the country's food stocks and new harvest. This aggravated an economic crisis created after the Soviet Union collapsed and North Korea lost its patron and after China decided a year ago to stop selling the North grain on credit.

When the North Korean regime, whose guiding principle is self-reliance, turned to the outside world for help, the United States concluded that the economic



In Pyongyang, North Korea, a steady stream of ox carts is one sure sign of a fuel shortage.

problems were severe enough to warrant \$2 million in food aid. Since North Korea remains subject to a 46-year-old economic embargo, the pledge of emergency aid was a diplomatic overture as much as it was a humanitarian response — designed to show that the United States had no interest in seeing North Korea fall apart.

Last November, the secretive North even allowed the United Nations' World Food Program to open an office in the capital, Pyongyang; its presence has provided rare snapshots of everyday life.

Earlier this month, visited Hwanghae, a prosperous town by North Korean standards and the fifth-largest in the country, where, according to his report, conditions were "appalling." Children from one to 16 years of age met in unheated classrooms where temperatures were about 5 degrees below zero. Most of the children were coughing and sneezing. School feeding rations had been cut in half.

There were no cars on the streets, only a steady stream of ox carts and bicycles — a sign of a fuel shortage. Groups of peasants were furtively selling firewood, clothing, cigarettes, matches and ballpoint pens on an illegal black market, which, according to an internal World Food Program report, "the Government is now tolerating because the public rationing system has broken down for lack of food."

In another report after a World Food Program visit to North Pyongan province last month, people interviewed said they were eating only two meals a day and stretching rice by turning it into porridge. The agency also has reported that the police are not arresting peasants who come into Pyongyang from the

countryside with nothing to do but wander around in search of food. "Is there famine in the Biblical sense?" asked Mr. Page in a telephone interview from Pyongyang. "Clearly not. But the North Korean winter is hard and long and people are cold and the people are hungry and desperately short of food."

Another sign of discontent is that more North Koreans are fleeing overland into China and defecting to the South. Although American intelligence analysts look with skepticism on the stories told by defectors in staged press conferences in South Korea, the sheer number of the reports, particularly from soldiers who have defected, means they are now taken more seriously. Some defectors, for example, claim that hungry soldiers are deserting, robbing peasants, and being treated in hospitals for malnutrition.

Most interesting to the Pentagon is the fact that although North Korea's annual Air Force exercises are at about the same level as last year, its ground exercises are dramatically smaller. That, military analysts say, could mean that the Army does not have enough fuel to exercise.

Still, there is no agreement inside or outside the Administration about the extent to which shortages have affected morale or military readiness, whether the country is going to collapse or whether a collapse would prompt the North to invade the South.

"When you combine the failure of the economic system, the absence of political legitimacy and the lack of international backing, common sense tells you this is a country falling apart from within," said Stanley Roth, until recently the chief Asian analyst at the National Security Council. "But it's almost impossible to project when you have such little data."

## Democracy: An Ideal Ebbs

Continued from page 1

attribute of democracy; effective democracy implies a system in which elections help a society govern itself fairly and well. Mr. Zakaria argues that America might do better by promoting civic values like free speech, separation of church and state and property rights.

All too often, such elections have produced not "democracy" as Americans understand it, but what Ken Jowitt, a political scientist at the University of California at Berkeley, calls "Potemkin" or "mimic democracies" with few of the civic virtues found in the handful of "liberal-capitalist-democratic" states. Ironically, he says, efforts to promote democracy may have weakened the power of the state. And now, as a result, democracy is not nearly as important as stability.

### Not for Everyone

Most analysts agree that democracy building has traditionally been ignored in Arab states, where the United States has vital national interests. Whatever praise the Administration has had for political liberalization in Jordan and Yemen, and for the recent Palestinian elections (which legitimized the autocratic rule of Yasir Arafat), officials remain wary of democratization as a general rule for the region. The worry is that anti-American, militantly Islamic regimes might replace the durably autocratic but pro-American governments of Egypt, Saudi Arabia and many Gulf states.

So Washington did not protest when in 1992 the military cancelled an election in Algeria that would have brought the anti-Western Islamic Salvation Front to power. And the State Department was quiet last month when Britain began deporting a leading Saudi dissident, Mohammed al-Massari, whom the United States suspected of links to terrorist groups. "Saudi Arabia is the only place where U.S. officials have flatly told me that human rights and democracy are not an American concern," said Neil Hicks, Mideast coordinator of the Lawyers Committee for Human Rights, a private group based in New York.

Moreover, critics say, promoting democracy may not advance, or be consistent with, other American goals. Presidents Bush and Clinton both sacrificed concerns for human rights and democracy to protect America's profitable trade relations with China. In Latin America, the United States has found, alas, that autocratic regimes often suppress the drug trade more effectively than the region's elected leaders. Only in Africa, argues Mr. Carothers, has advancing democracy been a key element of American policy. But, he adds, only in Africa does the United States have no "significant economic or national security interests."

Penn Kemble, deputy director of the United States Information Agency, and Brian Atwood, director of the Agency for International Development, both say that the cost of promoting democracy is worth it. But, Mr. Kemble admits: "We're a little sadder, a little wiser now. We now know we need patience and perseverance to change a country's political culture. Changing Russia's will take at least a generation."

Even the suggestion that Russia might become democratic in a generation seems optimistic given its history and current behavior. But in American democracy, patience is not a virtue. The Administrations that will deal with Russia can last, by law, no more than eight years.

## Ideas & Trends

# Love It, Hate It, It's Hollywood

By BERNARD WEINRAUB

**H**OLLYWOOD IN Billy Wilder's 1950 film "Sunset Boulevard," Joe Gillis, a screenwriter, meets the fading movie star, Norma Desmond, for the first time.

"You used to be big," he tells her. Norma's classic reply: "I am big. It's the pictures that got small."

Well, Norma Desmond was half right. There are plenty of big films that Hollywood studios nurture and crank out with increasing frequency, debacles like "Cutthroat Island" that would probably appall Miss Desmond. Although big films like "Apollo 13" and "Braveheart" won recognition this year, Hollywood is increasingly honoring

### Risky, offbeat films are getting the Oscar nominations more and more these days.

small, offbeat films like "Leaving Las Vegas," "Babe," "Dead Man Walking," "Sense and Sensibility" and "The Postman" ("Il Postino") with its accolades and Academy Award nominations.

The Academy Awards are often an annual exercise in self-congratulation by Hollywood. No matter that this year, as in previous years, the Academy of Motion Picture Arts and Sciences could barely find five top films to be nominated as best picture. The nominees were announced Tuesday, and the Oscars will be presented March 25.

A total of 355 films were eligible for the best picture award. Many of the most expensive ones (\$40 million or more) were terri-

ble: "Judge Dredd," "Waterworld" and "Assassins." Many of the cheaper ones (under \$40 million) were, well, also terrible. (It was the year of "Showgirls," probably the worst reviewed movie in recent memory).

As a result, the Oscar nominations this year took an unusual turn. On the one hand, Hollywood paid obeisance to two studio epics. One of them was Paramount's "Braveheart," a saga about 13th century Scotland starring Mel Gibson, who also directed, which captured 10 nominations. The other was Universal's "Apollo 13," the true story of the perilous space mission, which got nine nominations. But after honoring these two, the members of the Academy lavished all their attention on offbeat, difficult-to-market and risky movies that were either rejected or ignored by studios.

Quasi-independent companies like Miramax and Gramercy got more nominations than big studios like 20th Century Fox or Warner Brothers. Equally surprising, the Academy ignored such well-known directors as Martin Scorsese ("Casino"), Oliver Stone ("Nixon") and Ron Howard ("Apollo 13") in favor of five film makers who had never been nominated in the directing category. These included Mel Gibson ("Braveheart"), Chris Noonan ("Babe"), Tim Robbins ("Dead Man Walking"), Mike Figgis ("Leaving Las Vegas") and Michael Radford ("The Postman"). Ang Lee, director of "Sense and Sensibility," failed to get a nod, even though his film garnered seven nominations — two to Emma Thompson, for best actress and best screenplay.

Hollywood seemed to be saying: let's honor the types of films that studios like Warner Brothers firmly reject in favor of Jim Carrey comedies, Lethal Weapons and Free Willies.

"What you're seeing is the Academy voters supporting the kind of riskier films that studios used to make, films like 'Midnight Cowboy,'" said Russell Schwartz, chairman of Gramercy Films, which produced "Dead Man Walking," the somber drama



Susan Sarandon, left, and Sean Penn, the stars of "Dead Man Walking," discuss a scene with Tim Robbins, the director.

about the complexities of capital punishment starring Susan Sarandon and Sean Penn. (That film received four nominations, including best actor and actress.) "This whole arena has now been taken over by the independents," he said.

Harvey Weinstein, co-chairman of Miramax, which distributed "The Postman," said the cost of making studio films almost guaranteed an aversion to making nonformulaic, risky movies. Studios often spend \$30 to \$40 million on an average film, with an additional \$10 million to \$15 million to market it. Contrast this investment with the cost of making "Dead Man Walking," (\$13 million), "Leaving Las Vegas" (\$4 million) and "The Postman," (\$4 million).

"The high risk of producing movies is scary out there and this leads to movies that are homogenized at a certain level," said Mr. Weinstein. "There are exceptions like 'Apollo 13,' but so many of the movies just follow a formula, where the stories are indistinguishable from one another,

where there's an action formula and a comedy formula and it's all mass-marketed products.

"These smaller films are risky, too, they're scary, often they have no stars," he added, "but these are labors of love with their own artistic vision. And that's what you want."

But some top executives seemed puzzled

### 'Braveheart' gets the most nominations, but how about that pig?

and even displeased at the selections for best picture by the 5,043 members of the academy, who range from studio heads to film editors. Bob Shaye, chairman of New

Line Cinema, observed that many of the top films were produced by companies in France, Australia, Britain and France. And several of 1995's highest grossing films were largely overlooked, such as "Batman Forever," which got three nominations, and "Pocahontas," which earned two.

"The Academy seems to be drifting away from populist entertainment and is not really acknowledging the dollar votes that audiences have cast for the films they loved," said Mr. Shaye, whose company is one of the most successful in town. He characterized the vote on many of the films as elitist.

"I guess it's a way of saying that the films which entertained the nation by virtue of their box office success are not worthy of industry recognition," he said. Mr. Shaye said he was disgruntled because his company's most successful film in 1995, "Seven," starring Brad Pitt and Morgan Freeman, captured only one nomination — for film editing. "We should have gotten more," Mr. Shaye said.

## The Tribulations of The Not-So-Living Arts

Continued from page 1

sider, for example, the supposed anomalies turned up by the surveys. The most important is that while concert halls and theaters are facing problems, art museums are booming. In 1992, an estimated 49.6 million people visited museums, compared with 36.2 million in 1982, an increase of 37 percent. Older baby boomers and adults born between 1966 and 1975 are the two biggest age groups in art museums.

This may be due in part to our culture's increasing emphasis on the visual, its preoccupation with imagery on television and in movies. Museums may also demand a lower commitment of money and time than a concert or theater, involve less planning and require little, if any risk of being imprisoned in unpleasantness. They have showed marketing savvy, creating audio-tours, gift shops, restaurants and blockbuster shows.

### Fleeting Experience

None of these explanations, however, guarantee a very deep involvement with the visual arts as arts. And it doesn't feel as if Americans are in the midst of a renaissance. If anything, the urgency with which museums are developing educational programs reveals an anxiety about the depth of that involvement. A visit may offer some museumgoers a kind of freedom and intermittent involvement that is closer in spirit to the kind of exposure that listeners have to classical music on television, radio or compact discs — areas that have also shown growth.

The N.E.A. report notes, for example, that "video consumption" of classical music is high for the same age groups that show declines in attendance at concerts. Recordings have also become more important as a replacement for the live experience. Moreover, between 1982 and 1992, the audiences for classical music and jazz on the radio grew by more than 50 percent.

But this good news may also be bad news: music on the radio is listened to more passively. The quality of classical music radio has also declined significantly; stations have closed, selections are shorter, vocal music is rare, popular classics dominate. The numbers may be going up, but the nature of the experience is not the same.

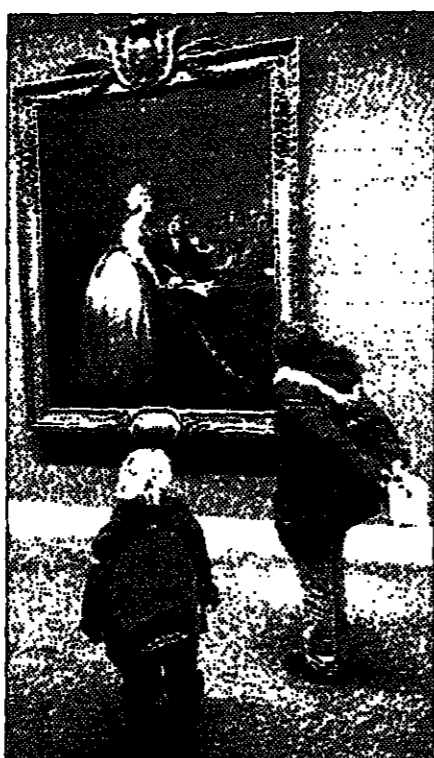
Television viewing is also no panacea for the arts and seems far less central than the report suggests. Forty years ago, NBC could sponsor an orchestra and broadcast Toscanini's concerts; there is no commercial network that would even consider such an undertaking today.

So things may be even worse than they appear in the surveys taken by the N.E.A. The only place where the reports seem overly pessimistic is opera: opera has been thriving, partly because of simultaneous translations, the appeal of traditional dramas on a large scale, and

new works that address, however fitfully, contemporary political themes.

One reason for the crisis in the arts may be another aspect of the arts that surveys cannot examine: their achievement. Museums thrive on collections of masterpieces and their fate does not depend on new acquisitions. But concert halls and theaters require either important new works (which have failed to find large audiences or stir much passion) or compelling interpreters (who are far less plentiful than they were a generation ago). The lapse in education, the uncertainty in artistic achievement, the worries over audience attendance and the lack of visionary patrons may all be signs of a vast change in the Western artistic tradition itself.

Of course there has always been a complicated relationship between the high and low in culture, and much that is now central to high culture has also appealed to mass audiences. But now the very notion of high artistic achievement is often regarded as a chimera and the products of these long and sophisticated Western traditions are often treated as if they have no greater claim on America's attention than the latest music video. Such attitudes, just by being made, already prove that the arts can no longer assume stability. Popular culture will thrive, but aspirations for greater accomplishment, once expected from the citizens of a democracy, are deflected, even resented. We are now suspicious of anything that smacks too much of elitism. It may be that the crisis in the arts is democracy's revenge.



Philip Greenberg for The New York Times Just looking at the Metropolitan.

### Annals of Declassification

## Nuclear Secrets Worth Keeping

By MATTHEW L. WALD

**D** IAGRAMS of nuclear weapons are available to anyone with access to the Internet, and earlier this month the United States Government published an accounting of every bit of bomb fuel it ever made, and where it all went, nearly down to the last ounce. The Energy Department even has an Internet web page where people hungry for nuclear secrets can search through abstracts of once-classified documents and learn how to order the full documents for free; if they are brief enough, the Government will fax the documents out.

So what's left for the bomb-makers to keep secret?

Plenty, they say, and the secrets may be more important now than in the days when "nuclear threat" meant Communist bombs. Then, the object of the classification system was mostly to keep the Russians and the Chinese from learning the extent of American nuclear strength and from picking up American techniques for turning their uranium and plutonium into more efficient weapons.

But now, officials say, the problem is to keep third world countries and even smaller entities from learning to build any weapons at all. With increased commerce in plutonium around the world, and surpluses of nuclear material from the former Soviet Union, the issue is no longer the efficiency of weapons. Whether a third world nation or a terrorist group is building an efficient bomb or a bomb of obsolete design, one that yields fewer kilotons of TNT equivalent per kilo of uranium or plutonium, does not matter. The point is to keep any nuclear weapon, of whatever quality, from being built.

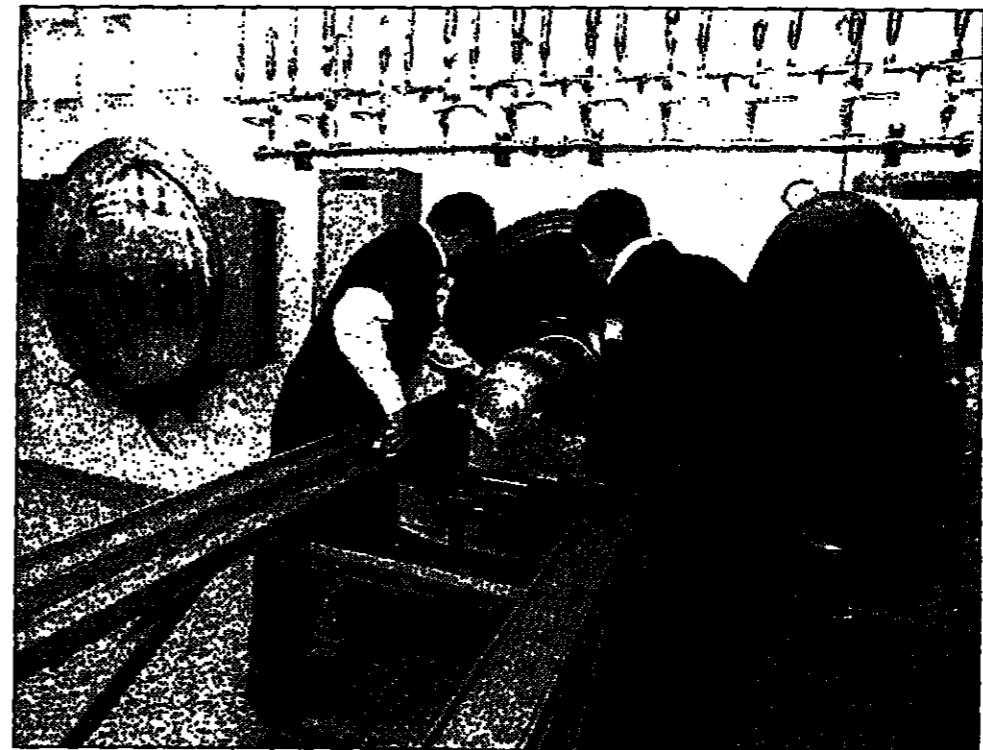
Still, the Energy Department is increasingly eager to let go of some of its information. Hazel R. O'Leary, the Energy Secretary, has been saying since she took office almost three years ago that her department needs to build trust with the public, to develop a consensus about the disposal of nuclear materials. For that, she believes, the public must be educated.

She said one reason for divulging just how much weapons plutonium is stored around the country — long a closely held secret — is to make people understand just how important it is to find a storage space for it and for nuclear waste from civilian power plants, which would probably go into the same repository.

### Classified at Birth

The department is also after international trust. It wants a worldwide ban on the production of nuclear fuel, and part of that campaign depends on disclosing what the Energy Department itself has.

But declassification is tricky. For years the Atomic Energy Commission, and now the Energy Department, operated on a principle used nowhere else in the American Government — that whole categories of ideas are "classified at birth," secret until



In an area once off-limit to cameras, workers prepare a mock-up of a W-80 warhead for a test at the Pantex Nuclear Weapons Plant near Amarillo, Tex.

proven otherwise. Now, with the new emphasis on openness, there is a lot of catching up to do in declassification.

Is it worth it? The Energy Department spends \$9 million a year now on declassification decisions, and in the midst of budget cutbacks for environmental cleanup, it is not anxious to spend more.

There may be other reasons for resistance to opening up the vaults. Many critics of declassification are the people who know what secrets are kept, and whose livelihood has been tied up in keeping those secrets. Now, in an era of layoffs, their desire to hold onto a job may, in part, be driving their desire to hold onto nuclear information.

"This whole classification discussion has been much more an argument about job security than national security," said Charles R. Hansen, a specialist in nuclear bombs. Some of the decisions about declassification are being made, he said, by people who would become less important if the system ceased to exist.

Declassification also requires changing attitudes. "In the past, there has always been a fear that almost any information, if enough is digested, can lead to good guesses about the details of nuclear weapons design," said Albert Narath, head of a study group that has been assembled by the Energy Department to produce new proposals on nuclear secrecy. Mr. Narath himself said he had spent decades working within that culture of secrecy. "Perhaps there's been a little bit too much paranoia," he said.

Which secrets can now be safely disclosed? There are those that concern just how many weapons the United States has,

and how fast it could make new ones once a nuclear war had begun. The idea that the United States would actually have time to manufacture additional bombs after the first nuclear exchange has been outdated since the 1960's, when both sides had accumulated nuclear stockpiles big enough for mutual assured destruction.

### Slow to Answer

The Energy Department has always been slow to answer questions about nuclear weapons, but that is changing. Recently the department boasted that it had finally cleared away all the requests made in the 1980's under the Freedom of Information Act and three-quarters of those made from 1990 to 1992. It promised to finish with the requests from 1993 and 1994 by 1997. According to the department, 1995 was the first year that it had closed more cases — by releasing information or refusing to release it — than the public had filed.

There are some facts that the Energy Department still won't talk about. No one knows whether there are real secrets or information that ordinary people already know. Even in an era of openness, there can be value in ambiguity and mystery.

Take, for example, the information about weapons designs that are out on the World Wide Web. According to Mr. Narath, "there's a lot of stuff out there, some of it real, some of it not." That is why the approach of "no comment" is appropriate, he said. Then, anyone who wants to build a bomb is "left to guess whether the design would work or not."

ECONOMY

# Silicon Valley is Paved With Paper Fortunes

By MICHAEL S. MALONE

SUNNYVALE, Calif. — In August, the Netscape Communications Corporation held one of the most successful initial public stock offerings in Silicon Valley history. In a single day, the year-old company, with just \$17 million in sales, was valued at more than \$3 billion. And the stock kept climbing.

It was an exciting moment for Netscape employees, many of whom had instant personal fortunes — on paper, at least. But almost as exciting was the day three months later when the underwriter, Morgan Stanley, decided Netscape's stock was strong enough to release the lock-out on its sale by non-officers. That's when the payoff became real.

"We wanted to let our employees get a little bit of liquidity," said Mike Homer, vice president for marketing at Netscape.

Tales about some high-technology bosses are legendary — the new multi-millionaires so obsessed with their work that they still drive their '87 Chevys and haven't bothered to move uphill from their humble lodgings. But then there are other employees, at all levels, suddenly worth a million or two on paper and still struggling to buy groceries. They are itching to live better — a lot better.

At Netscape, Mr. Homer said, some employees didn't wait for Morgan Stanley to fire the starting gun. Instead, they found financial institutions and brokers willing to lend

them money using their newly valuable stock as collateral or otherwise turn their paper wealth into cash. Most ways of doing this are legal, but some seem to subvert the reason the rules are there in the first place — to keep insiders from bailing out too soon after the public is invited in.

Any attempt by the Securities and Exchange Commission to categorize and control this type of activity doesn't work, said Robert Gabele, president of CDA/Investnet Inc. in Fort Lauderdale, Fla., which follows the securities industry. "Wall Street quickly finds ways to get around the definition."

As for Mr. Homer himself, though he wouldn't say exactly how he got the cash, he did not wait long before he bought a new Mercedes, took a couple of weeks' vacation, started looking for a new house for his family and, for Christmas, bought his mother a new car.

Such spending has been a Silicon Valley phenomenon at least since Apple Computer went public with its first sale of stock in 1981. Within days, even hours of stock offerings, the parking lots full of rusted heaps start to be transformed into a veritable auto show of new Ferraris and Porsches. And within weeks, many of these cars are driven to expensive new homes in the hills.

Where do these people get the cash?

"I sometimes wonder about that myself," laughed E. Michael Begovich, regional vice president for the technology industries group of Bank of the West in San Jose. "But I'll tell you this: If a client worth, say, \$200 million on paper came to me and



Owners of this home in Palo Alto are asking more than \$1 million.

wanted to borrow \$100,000 on an unsecured loan and pay it back in six months, I'd do it.

"I want his company's business, I want his business — and, eventually, he'll probably move on and start some other business, and I want a shot at dealing with that company, too," he said.

Mr. Begovich's remarks are a reminder that just because your stock makes you rich doesn't mean you can spend your new wealth, at least not right away. The S.E.C. has regulations tying up big employee stock sales for months after an initial offering. The underwriters add their restrictions, typically lock-outs to the stocks for as long as six months. Then there are stock options, which employees may not be able to cash in for years. And key executives must be careful about unloading shares or risk damaging the company's image and putting the stock in free fall.

Still, there is a powerful desire to reward yourself for long hours and financial sacrifices. According to Jean W. Blomberg, senior vice president of Silicon Valley Bank in Palo Alto, top managers usually do not have much trouble. "Most of these people have started several companies in the past," she said, "so they typically borrow against some other asset, like a residence, then pay it off when they exercise the stock."

Companies can help employees improve their lot, too. Apple, for example, around the time of its offering, began rewarding top executives with expensive cars, helping prompt the sudden change in the complexion of its parking lot.

More difficult are the first-time entrepreneurial successes, who typically have few assets and have burned up what little credit they had trying to keep the company alive. For them, the biggest challenge may be just getting through the car dealer's door. Since the days of Steve Jobs and Steve Wozniak, it has been a valley cliché that the scruffy guy in torn clothes looking in the showroom window is either a burglar casing the place or next week's Time magazine cover.

Corporate charges through and around this process. The S.E.C. is especially wary of any transactions involving insiders selling their own company's stock short, which is essentially betting against the company.

The biggest brokerage houses — Lehman Brothers, Merrill Lynch, Morgan Stanley, Salomon Brothers and Smith Barney — have even formed special departments for restricted-stock trading. These teams, which dealt with nine billion such shares in the first half of 1994 alone, have come up with several strategies for liquidating restricted stock, each with advantages and disadvantages.

"A lot of companies view compensation to employees as including the selling of shares," said Richard A. Gadois 3d, senior vice president for Merrill Lynch in Irvine, Calif., and one of the most successful Rule 144 brokers. "And certainly, the ability to generate wealth through capital accumulation is far more compelling to employees than simply through salaries. So companies face an essential dilemma between doing the right thing in their financial planning or sending the right message to their shareholders."

Prying cash loose from stock — especially using techniques like "shorting against the box," or selling short the same number of shares you want cash for, is, to Mr. Gadois, "a wonderful technique to liquidate a position and defer your taxes."

"It's amazing to me the I.R.S. has let us do it so long," he said. "In fact, there are new laws in front of Congress" that might restrict it.

In lieu of unsecured loans, which can be hard to get outside of places like Silicon Valley, Mr. Gadois recommends that clients sell a little stock at a time, not a lot all at once, so they do not stretch any rules.

With a volatile stock, of course, this delay means increased risk, so brokers like Mr. Gadois also offer a "collar," in which the brokerage firm guarantees a floor on the stock's value, say \$13 on a \$15 stock, paying the shareholder the difference if the price falls lower. But the firm also keeps everything above a predetermined cap — say \$20 a share.

performed better on average than those from any other place in the country.

With this kind of ferocious corporate creation, it is not surprising that Silicon Valley companies, lending institutions and retailers have become adept at turning paper quickly to gold.

At the area's car dealers, the process is straightforward: turn the financing over to the banks. "They have to have proof it's more than talk," said Bart Hood, the Mercedes dealer. "We drop the matter in our lender's lap and let them accept or decline. But imagine that if the stock is real, it would be hard for the lender to turn them down."

Hinrich W. Butt, a salesman at Anderson-Behel Porsche in San Jose, said: "We can work something out; we do want their business. But the customer has to be good for it later on. You can go public today and tomorrow be broke."

Popular among buyers at his dealership, Mr. Butt said, is a "one pay" contract — the customer puts a third down, makes monthly payments until the big money comes in, then pays off the loan.

With newly wealthy employees eager to buy showplace homes, local real estate firms have become especially adept at dealing with restricted stock. At the valley's largest residential brokerage, Cornish & Carey, agents have grown accustomed to the newly rich. "Some people are very confident, like they always expected to be there," said Carol Burnett, senior vice president and manager of the Saratoga office. "Others are surprised, like they never dreamed something like this could happen."

Like the car dealers, Ms. Burnett finds that many of the newly rich already have considerable resources at their disposal. "They may have, say, \$500,000 in assets they were guarding that they now feel comfortable spending," she said.

Those without that ready liquidity, but still eager to move up, are often steered by Ms. Burnett and her staff to the Merrill Lynch office in San Jose.

Smart banks, brokers and retailers in Silicon Valley know that the goal in dealing with these newly minted tycoons is not the quick sale, but the long-term relationship. After all, today's young millionaire may well become tomorrow's globe-trotting billionaire — and this first contact may lead to decades of business.

That is why Bank of America and Silicon Valley Bank both have special programs. Silicon Valley Bank jokingly calls itself "the Wal-Mart of executive banking services," said Ms. Blomberg, the senior vice president, because it runs its program out of branch offices.

Bank of America's executive program is especially sophisticated. The bank has three offices — in San Francisco, Palo Alto and Monterey — dedicated to working with wealthy technology entrepreneurs.

"We see people go from zero worth to \$50 million overnight — people suddenly worth \$60 million but only drawing a \$60,000 salary," said William L. Timoney, senior vice president for Bank of America's Private Banking and Investment Services. "But with wealth comes responsibility. When people don't have it, they wish for it. Then all of a sudden, it's there and they don't know what to do with it."

"Many of them want to buy a home, which we find is the most common first big-ticket item. Others are reluctant to part with their stock and end up riding it back down. The next product falls to meet expectations, the stock falls off the table and their wealth evaporates."

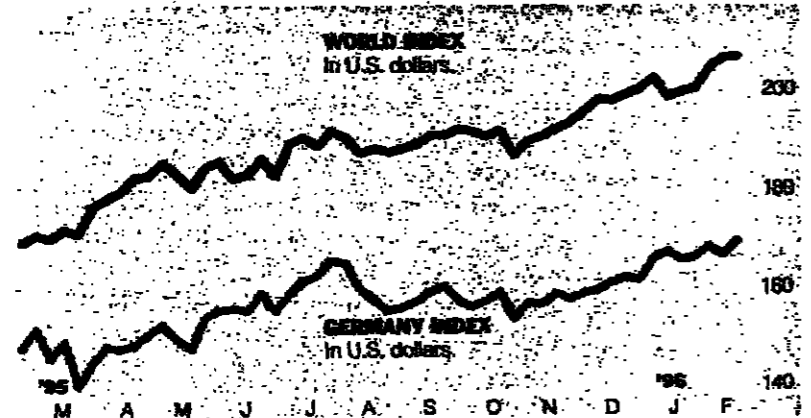
For that reason, Mr. Timoney added, Bank of America advises its newly stock-rich clients to diversify their wealth as soon as possible. "We work with them to provide liquidity, such as using the stock for a loan, and then investing those proceeds into other securities."

How much can they borrow? Typically 50 percent to 70 percent of the market value of the stock, said Mr. Timoney, adding that because the stock is not actually sold, there is no problem with S.E.C. restrictions. Loans with more solid collateral can reach as much as 90 percent of the underlying value of the stock.

### WORLD STOCK MARKETS

PERFORMANCE		IN U.S. DOLLARS			IN LOCAL CURR.	
Country	Index	Week % Chg.	Week Rank	YTD % Chg.	YTD Rank	YTD % Chg.
Australia	199.81	-1.3	11	5.0	11	9.80
Austria	185.79	-0.4	17	6.4	7	1.53
Belgium	209.18	-1.4	22	0.0	22	3.40
Brazil	182.06	-2.8	24	17.5	1	1.58
Britain	235.50	2.6	2	2.2	18	3.97
Canada	158.30	-1.0	19	5.3	9	2.40
Denmark	302.64	0.1	15	4.8	12	1.52
Finland	180.06	-1.3	21	-3.7	26	1.85
France	185.08	1.1	12	3.2	15	3.12
Germany	171.55	1.6	10	4.8	13	1.85
Hong Kong	451.17	2.5	3	16.4	2	3.16
Ireland	261.84	2.3	5	2.5	17	3.41
Italy	74.05	-7.7	26	0.5	20	1.70
Japan	153.85	0.7	13	-0.7	24	0.74
Malaysia	525.37	2.2	7	8.3	6	1.82
Mexico	1,138.59	-1.8	23	9.9	5	1.48
Netherlands	280.06	1.6	9	2.7	16	3.12
New Zealand	79.35	-0.1	16	0.4	23	4.88
Norway	236.15	-2.3	18	2.1	19	2.18
Singapore	458.99	2.0	8	12.7	3	1.36
South Africa	407.87	-4.8	25	5.9	8	3.53
Spain	171.06	3.8	1	3.6	14	3.76
Sweden	312.42	-0.6	18	0.1	21	1.93
Switzerland	228.08	2.4	4	-3.4	25	1.59
Thailand	189.40	0.7	14	12.6	4	2.02
United States	264.25	-1.1	20	5.2	10	2.18

COMPOSITE INDICES		Week % Chg.	Week Rank	YTD % Chg.	YTD Rank
Europe	204.70	1.4	1.9	2.97	175.98
Pacific Basin	167.42	1.0	1.3	1.16	114.68
Europe/Pacific	182.85	1.1	1.6	2.00	137.97
World	208.92	0.0	3.3	2.10	177.40



Prepared by Goldman, Sachs & Co. using data derived from the FT Actuaries World Indices: a measure of stock market performance. The FT indices are compiled jointly by The Financial Times Limited, Goldman, Sachs & Co. and NatWest Securities Ltd. in conjunction with the Institute of Actuaries and the Faculty of Actuaries.

Exchange rates	Friday	Last Friday	Week % Chg.	Year Ago
Japanese yen to the U.S. dollar	105.18	107.05	-1.75	97.40
German marks to the U.S. dollar	1.4536	1.4765	-1.55	1.4803
Canadian dollars to the U.S. dollar	1.3810	1.3705	+0.75	1.4036
U.S. dollars to the British pound	1.5520	1.5310	+1.37	1.5815

Source: Bloomberg Financial Markets; exchange rates as of Friday's New York close.

When these T-shirt tycoons want to turn stock into cash, Ms. Blomberg said, it is important to develop a relationship with the bank, usually through the company, well in advance. It is also important, she added, for the bank to have a good understanding of the industry. Most banks have their own rules barring lending against restricted stock, she said. "But if you know the company and its business, you can sometimes take that extra risk."

In the housing market, the wave of stock offerings has put increasing pressure on prices, particularly in the best neighborhoods.

Multiple offers on homes have become the rule in communities like Palo Alto, Menlo Park, Los Gatos, Woodside and Portola, and some home seekers complain they are being driven from the market by all-cash offers from employees of newly public companies.

In Santa Clara County, the heart of Silicon Valley, prices in some com-

panies have skyrocketed. From 1994 to 1995 the median value of a home in Los Altos Hills rose from \$825,000 to \$1 million, or 21 percent; in Palo Alto, it went from \$416,000 to \$450,000, an 8 percent increase.

One factor in favor of the new Silicon Valley millionaires is that they are the latest in a long line of high-tech grandees. Technology employees burning money on expensive playthings after an initial offering have been around since the 1960's. Apple, for example, created about 100 millionaires when it went public, some of them engineers and secretaries. At Microsoft, it may have been 10 times that.

The smart companies, typically those led by veterans of past offerings, bring in professionals to help. Netscape's chairman, James L. Clark, who had founded Silicon Graphics, and its president and chief executive, James L. Barksdale, former chief executive of AT&T Wireless, brought in investment bankers from Morgan Stanley, Hambrecht & Quist and Alex Brown to give employees free advice on investing their new riches.

"The issue often becomes how mature these people are," said Tim Bajaran, president of Creative Strategies Inc. of San Jose. "Some people act like a kid in a candy store. Overnight, they suddenly become rich — and a lot of them don't know how to deal with it."

But turning restricted stock into cash is not as simple as it may sound, especially the higher you go in the company. The S.E.C. places constraints both on selling stock and on borrowing against it — the most notable being Section 16 of the 1933 Securities Act, which establishes who is an insider, and Rule 144, which sets limits on when and how much restricted stock can be sold by company executives and board members.

Although the commission does not state an official position about any of this for fear of setting precedents, it is known that these controls are intended to give outside investors an equal advantage with insiders, to aim sunlight at what would otherwise be hidden transactions and to keep corporate executives and underwriters from secretly selling their own stock short.

Unfortunately, the controls do not always work. "The touchiest transactions in this area," said Mr. Gabele of CDA/Investnet, "are equity swaps in which the stock is being pledged as collateral and the bank or brokerage is shorting the stock to cover the loan. That should prompt an insider filing with the S.E.C. But it often doesn't."

On the surface, these rules do not seem particularly onerous. For example, under Rule 144, during any 90-day period an insider may sell up to 1 percent of the company's total outstanding shares, or the average number of shares traded in the most recent four weeks, whichever is greater. That is a large chunk of change. Of course, an insider must hold the stock for two years after getting it even to qualify for a Rule 144 sale. And it takes three years to get past the Rule 144 limits altogether. But the clock starts running as soon as the stock is acquired — in most cases, well before a company goes public.

Yet such is the hunger of newly rich stockholders either to cash out or to diversify that a small army of Section 16 lawyers and Rule 144 brokers has appeared to guide their

## Feb. 12-16: Dow Rally Takes a Break; Bond Yields Up Sharply

**PRICES**

DOMESTIC EQUITIES		DOMESTIC BONDS	
<b>Broad market</b> S. & P. 500 index	Down 1.28% 647.98	<b>Treasuries</b> Ryan Labs. Total Return	Down 0.46% 191.69
<b>Blue chips</b> Dow 30 industrials	Down 0.69% 5,503.32	<b>Municipals</b> Bond Buyer index	Down 0.39% 121.84
<b>Small capitalization</b> Russell 2000 index	Up 0.15% 321.59	<b>Corporates</b> Merrill Lynch Master index	Down 0.57% 817.63

**AROUND THE WORLD**

<b>European stocks</b> F.T.-Actuaries Europe	Up 1.36% 204.70
<b>Asian stocks</b> F.T.-Actuaries Pacific Basin	Up 0.96% 167.42
<b>Gold</b> New York cash price	Down 0.07% \$405.30

Foreign indexes are shown in dollar terms.

**YIELDS**

BONDS		OTHER INVESTMENTS	
<b>Long bonds</b>	6.24%	<b>Money market funds</b>	4.84%
30-year Treasuries	Up 15 basis pts.	Taxable average	Down 7 basis pts.
<b>Short bonds</b>	4.91%	<b>Bank C.D.'s</b>	4.69%
2-year Treasuries	Up 5 basis pts.	1-year small savers	Down 5 basis pts.
<b>Municipals</b>	5.53%	<b>Stocks</b>	2.22%
Bond Buyer index	Up 2 basis pts.	S. & P. 500 dividend yield	Up 3 b.p.

100 basis points = 1 percentage point

**90-DAY RELATIVE TREND**

Change in basis points. +150

Sources: Bank Rate Monitor, Bloomberg Financial Markets; The Bond Buyer; Datastream, Goldman, Sachs; IBC's Money Fund Report; Merrill Lynch, Standard & Poor's, Ryan Labs

**The New York Times**

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**The Race for Russian President**

Say this for the Russian presidential campaign — it will be mercifully short. The race began in earnest last week, and four months from now, in June, Russians will vote. That may be the only good thing about an election season that seems likely to offer voters little enlightenment and an avalanche of shallow slogans and misguided promises that could stunt their country for years to come.

Three of the top candidates are determined to brake Russia's uneven transition from Communism to democracy and a free-market economy. One of them, Vladimir Zhirinovskiy, the ultra-nationalist, is a boisterous demagogue. The other two, Aleksandr Lebed, a retired general who is expected to announce soon, and Gennadi Zyuganov, the Communist Party leader who entered the race last week, deftly cloak authoritarian agendas in populist rhetoric. All three have strong appeal to millions of Russians battered by the dismantling of a state-controlled economy that long provided a low but reliable standard of living.

The leading candidate of reform is Grigori Yavlinsky, an economist who has remained outside the Government of Boris Yeltsin, leaving him free to criticize its many failings. But Mr. Yavlinsky, like Mikhail Gorbachev, the last Soviet leader, seems more beloved outside his country than within. His arrogance and self-promotion have won him few friends among Russia's reform politicians. Mr. Gorbachev, heartily disliked by Russians, may yet become a candidate, probably presenting himself as an experienced leader who can restore stability. He is given little chance of winning.

Then there is Mr. Yeltsin himself, the incumbent and the dominant figure in Russian political life. Despite an ailing heart, an erratic record, a disastrous war in Chechnya and anemic popularity,

he is seeking re-election as the candidate who, in his words, "can bring the country through troubles, anxiety and uncertainty." The problem is that many Russians believe he is responsible for their troubles, anxiety and uncertainty.

Because some of the most visible pieces of economic reform have been mishandled by Mr. Yeltsin, all the candidates, save Mr. Yavlinsky, are running against reform in some fashion. There are many enticing targets, including a corrupt system for the sale of state assets to private investors that has produced windfall fortunes for a handful of well-connected Russians while denying hard-working business people a chance to compete.

Mr. Zhirinovskiy, Mr. Lebed and Mr. Zyuganov have a crude answer for this kind of inequity — suspend reform, reclaim state assets and reconstruct a command economy. Mr. Yeltsin's campaign strategy is to ease the economic hardships of reform by breaking budget discipline to increase pensions, subsidize failing state industries and throw rubles at miners and other disgruntled workers. At least Mr. Yeltsin says of reform, "I am for correcting the course, not for backtracking on it."

The discontent in Russia is aggravated by a general breakdown of order, rising crime and a sense that it has lost its place among the first rank of world powers. It is a hostile environment for anyone preaching sacrifice and change, as the Communist gains in parliamentary elections showed. Mr. Zyuganov seems best positioned to exploit voter resentment, and starts as front-runner.

Unless one candidate gets at least 50 percent of the vote, which looks unlikely, the two top finishers will move on to a second round of voting in late June. At this point, it is far from certain that either Mr. Yeltsin or Mr. Yavlinsky will make the cut.

**For Arts Audiences, the Question Is Relevance**

To the Editor:

Re "As Patrons Age, Future of Arts Is Uncertain" (front page, Feb. 12):  
The "highbrow" arts in New York are losing their audiences. The appeal of music, composed by men dead for decades, if not centuries, is lacking in appeal. The American musical, in the form of revivals, is dependent on tourists and foreign visitors. The Metropolitan Opera has had to invest millions to frame the lyrics, in English, right there for everyone to look down their noses at.  
Could this be not so much a question of audiences but of relevance or the lack thereof?

The arts are like politics, religion, air. They find their place and their way. In Santa Clara County, California, one of the richest and most rapidly emerging areas in the country, 40 percent of the nonprofit arts organizations have budgets of \$50,000 or less. The Metropolitan Opera can spend that in an hour.

In New Orleans, the symphony and ballet are expanding audiences and working alongside schools. The city is beginning \$30 million of construction for new facilities for performing arts, visual arts and crafts.

It's not a question of audience decline but of relevance. In a time of less money, less time and more choice, society will find what is relevant and participate and show support for it. Deficits loom large, as do tough questions from donors and demands from artists for greater participation in organizational choices.

More than a rearrangement of deck chairs, what communities and their artists want is a different and more fruitful relationship with one another. Benefits and possibilities abound for those who are responsive to this.

JOHN M. MCCANN  
Washington, Feb. 14, 1996  
The writer, a consultant, has managed three nonprofit theaters.

**Making Music**

To the Editor:

Recent studies point out that a large proportion of people attending classical music concerts studied a musical instrument in their youth. It is important to keep in mind that the rise of television and electronic pop culture was accompanied by the wholesale abandonment of instrumental music instruction in public education across this country.  
If we care about the survival of classical music played before live audiences, we will have to do something much more difficult than tinker



Douglas Florian

with music marketing. We will have to teach future generations what it means to participate in making music themselves.

GARY R. STEPHENS  
New York, Feb. 12, 1996  
The writer is co-chairman of Opus 118 Music Center, a violin program for East Harlem public schools.

**Jazz in a Coffee Shop**

To the Editor:

Your article on the "graying" of the arts in America (front page, Feb.

12) leaves out one aspect of the problem. Many young people who may be interested in the performing arts find themselves financially excluded from being "goers."

I enjoy going to a concert, the opera or the theater. But as a college student working two part-time jobs, I find it difficult to find the time or money to do so.

A ticket to any of these events costs me nearly a month's entertainment budget. Listening to local jazz at a coffee shop provides me with better entertainment value and a friendlier atmosphere.

I won't be patronizing the high-brow events until I have more disposable income, something that is becoming rare in young America.

If the fine arts wish to survive, they would do well to take an example from museums. Today not even Congress can hold out as an elitist social club.  
BRAD HILL  
East Lansing, Mich., Feb. 12, 1996

**Fighters vs. Flutes**

To the Editor:

Re "As Patrons Age, Future of Arts Is Uncertain" (front page, Feb. 12):

Technology numbs minds, kills spirits, breaks social connections, and displaces culture. It drains souls of the need to give, care and feel.

We value fighter pilots, not flute players.

Getting more stuff and the next guy is our pinball. Widget-making skills taught in schools guarantee "good" jobs so we are "free" for the mindless, empty and wounding pursuits of buying our next television set, VCR, four-wheeler and car phone.

Questioning our values may help us to understand falling theater attendance.  
ROGER NEWELL  
La Jolla, Calif., Feb. 12, 1996

**Rwanda Refugees May Well Fear Return**

To the Editor:

While your report on Rwandan refugees in the Kibumba, Zaire, camp is factual (news article, Feb. 15), it doesn't say whether refugees' fear of returning to Rwanda is founded or not. The camp's propaganda machine may be excellent, but it is oversimplification to suggest that refugees don't want to return to Rwanda because their leaders tell them so.  
Who would prefer the "comfort" of a refugee camp in decaying eastern Zaire to a home inside Rwanda if the situation were as safe as the Rwandan authorities say it is?

More than 60,000 Hutus have been in jail for more than a year without being charged. Political parties have been suspended by the victorious Rwandan Patriotic Front. No election is planned for the near future. The Government has ousted most relief organizations, because they cared more about the refugees than the reconstruction of Rwanda.

The Tutsi-dominated army repeatedly bombed the central market and civilian hospitals in Kigali during the civil war in 1994 and killed hundreds of Hutu refugees in Kibeho in southern Rwanda last April and another

hundred civilians in Gisenyi in western Rwanda last November.

Why does anyone want to send refugees back to a place where even officials of the international tribunal in charge of prosecuting genocide suspects get beaten up by the Rwandan Army?  
PROCAS FASHARO  
Iowa City, Feb. 15, 1996

**Buchanan on Air**

To the Editor:

A. M. Rosenthal (column, Feb. 16) is outraged that the news media employed Pat Buchanan as a commentator in the years before he decided to run for President and after his candidacy in 1992.

I do not see Mr. Rosenthal criticizing the news media for employing possible future Presidential contenders like Mario Cuomo, who has the same kind of on-air platform as Pat Buchanan once had.

If it was such a journalistic travesty for the conservative Mr. Buchanan to have an on-air job, why not criticize liberals who are doing the same thing?  
WIL MILAN  
Phoenix, Feb. 15, 1996

**Why Stalkers Go Free**

Men who threaten to kill their wives and girlfriends often succeed — even with police, the courts and prosecutors looking on. That tragic truth was underscored again last week when a Brooklyn woman was murdered by a man who had stalked, beaten and threatened her over the course of a year. The killer, a three-time felon, had been served with an order of protection to keep him away from his victim. Days before the killing, he was released from jail despite protests from prosecutors who sensed the murder coming.

Mayor Rudolph Giuliani and Gov. George Pataki have expressed outrage over Judge Lorin Duckman's handling of the case, with the Governor considering impeachment. Judge Duckman has some explaining to do, particularly for language suggesting insensitivity to the woman's plight. But the real culprit is a state statute that takes stalking and domestic violence lightly, making swift and effective prosecution difficult.

If anyone was a candidate for an extended stay in jail, it was 35-year-old Benito Oliver, a felon with convictions for rape, witness tampering and weapons possession. Mr. Oliver had menaced his former girlfriend, Galina Komar, for a year. He chased her out of her apartment, dragged her away from work and repeatedly put a knife to her throat, threatening to kill her. Three weeks before finally murdering her, he was jailed for beating and threatening her with a butcher knife. While in jail, he violated the protective order, harassing Ms. Komar by telephone. Notified of the calls, prosecutors arranged to have Mr. Oliver arrested for

violating the protective order as he left jail on bail.

During the bail hearing that ensued, Judge Duckman callously questioned the severity of Ms. Komar's beating, suggesting that the bruises she received were insignificant because there were "no broken bones." He weakened the order of protection. He discounted the harassing phone calls, suggesting that Mr. Oliver had a right to be concerned about a dog he had left in Ms. Komar's custody. Then he released Mr. Oliver on his own recognizance. Three weeks later, Mr. Oliver shot Ms. Komar dead, then killed himself.

Judge Duckman's conduct in court may well warrant an inquiry by the State Commission on Judicial Conduct. But indifference to the danger faced by women being terrorized by stalkers is written into the New York penal code. Under the code, most acts of stalking are categorized as misdemeanors, punishable by seven or eight weeks in jail, if that. Stalking becomes a felony only when the perpetrator has already been convicted of "menacing in the second degree" — which in turn requires evidence of the severe physical trauma that Judge Duckman alluded to in court. Similarly, the penalties for violating orders of protection are a joke. In order to do serious time, the violator must commit either grievous physical harm or property damage while breaking the order. Given the law, Mr. Oliver was almost certain to get off lightly.

Stalkers go free to terrify and kill, partly because the law permits it. If Mr. Giuliani and Mr. Pataki want to make a difference, they can push to make the penalties for stalking far more severe.

**In N.J. Senate Race, Measurable Difference**

To the Editor:

Your Feb. 14 news article on Representative Richard A. Zimmer's throwing his hat into the ring for the Senate seat being vacated by Bill Bradley furthers a myth in New Jersey politics: that there isn't much substance distinguishing Mr. Zimmer, a Republican, from Representative Robert G. Torricelli, the Democratic candidate.

Au contraire. According to the 1995 Government Almanac, the ratings given to the two candidates by various interest groups differ markedly.

The American Conservative Union rates Mr. Zimmer at 57 percent and Mr. Torricelli at 6 percent. The National Rifle Association gives Mr. Zimmer a 90 percent rating, the Christian Coalition an 80 percent rating and the New Jersey Environmental Federation an "F." Mr. Torricelli has supported the ban on assault weapons and is rated "A" by the New Jersey Environmental Federation.

There is nothing moderate about Mr. Zimmer's vote against the Brady bill or to end safe drinking water standards. In both cases, Mr. Torricelli voted contrary to Mr. Zimmer.  
JOHN W. WOLFF  
Highland Park, N.J., Feb. 15, 1996

**San Francisco Gateway**

To the Editor:

Contrary to your Feb. 11 news article on the San Francisco-Oakland Bay Bridge, the bridge is "sexy." The photograph you published [some editions] is of the eastern cantilever and fails to capture the spirit and experience of the gateway to our city. The western, suspension portion is a thing of beauty, at least as lovely as that other, less-used bridge to the north.

The Bay Bridge's seductive parabolic cables and stately towers stand as a marvel of modern engineering design. It seduces the eye as visitors are sinuously delivered into the heart of our city.  
IAN MACKINLAY  
San Francisco, Feb. 13, 1996  
The writer is an architect.

**Cocaine Use Soared Despite Prohibition**

To the Editor:

In "No to Legalization" (letter, Feb. 15), William J. Bennett, the former Federal drug czar, writes, "If drugs were legalized, use would soar."

Mr. Bennett proceeds to describe the rapid popularization of crack cocaine in America's inner cities during the 1980's.

But the crack epidemic occurred under the most aggressively enforced "prohibition" in history. What does this have to do with legalization? And why do prohibition's advocates use illogic in making their case?

DAVID BORDEN  
Director, Drug Reform Coordination Network  
Washington, Feb. 15, 1996

**\$10 at Tiffany's**

To the Editor:

Maureen Dowd's contention (column, Feb. 15) "that if Holly Golightly came tripping into Barneys with her \$10 bill, she would have been shown the door" ignores that it was only Holly's charm and ingenuity that made her shopping expedition to Tiffany's a success.

Whereas Ms. Dowd was presented with a list of 2,197 items for \$10 and under at Barneys, Holly Golightly was shown only one item for this amount at Tiffany's, a sterling silver telephone dialer.

Holly appealed to the heart and soul of the dignified salesman and persuaded him to bend the store's policy and engrave her ring for \$10, even though it came from a box of Cracker Jacks.  
MARTIN KAUFFMAN  
New York, Feb. 15, 1996

**Editorial Notebook**

**New Hampshire, 1996**

MANCHESTER N.H.  
The Republican Presidential contenders in New Hampshire are showing grave signs of candidate wilt. Turn on the spotlight and they droop like overheated begonias.

"Some of the gleam is off the edge of the flower," nods John Stable, state Republican chairman. He was talking about Steve Forbes, whose fortunes seem to have gone especially droopy. After a few glorious weeks when voters seemed to find his flat tax and visitor-from-another-planet mystique entrancing, he is losing his standing as the fresh face to Lamar Alexander.

Fresh faces are a particularly perishable commodity. The world may not have yet noticed that Mr. Alexander once invested a dollar in an option to buy a newspaper, and emerged from the deal with a \$620,000 profit. But if the former Governor keeps moving up in the polls, the world will get an earful. "He makes Hillary Clinton look like a piker. Next time he plays the piano, it will probably be Alexander's ragtime scam," sniped Mr. Forbes. The least spontaneous of candidates, he gives the impression of having practiced his insults in front of a mirror.

Pat Buchanan was having so much fun in his new incarnation as a Wall Street-bashing populist that the Beltway native seemed to be developing a Southern accent. But last week he ascended to the status of potential front-runner, and the light moved over to his campaign co-chairman's connections to the militia movement and white supremacists. Mr. Buchanan tried simultaneously to exhibit loyalty ("he's mah friend") and distance himself from the problem. Another aide with white supremacist links quickly popped up in Florida.

Campaigning for President seems to be fun only if you have no chance of winning. "Isn't this great," beamed Representative Bob Dornan before the big debate. If you are tracking at zero in the polls, you can go

**Where Fresh Faces Begin to Wrinkle**

out there and brag about your committee assignment ("you're looking at the chairman of Military Personnel"), announce that Bill Clinton passed "the most massive tax increase since the Pharaohs" and wake up the next morning none the worse for wear.

Meanwhile, Bob Dole, who has not looked as if he was having fun in months, dispatched minions to argue that voters do not dislike him nearly as much as people say. "His negatives in New Hampshire will improve once the primary is over," said an aide after the debate. By then the candidate himself had gone home to prepare for a trip to the north country to admire some sled dogs, who struggled to run away when he tried to pet them.

Mr. Alexander's people, of course, say their candidate will not droop under the pressure of being the reigning NotDole, NotBuchanan. The ex-Governor has been stumping New Hampshire since last summer telling voters that he can do for the nation what he did for his increasingly prosperous home state. (Mr. Alexander cannily refrains from calling it the Tennessee Miracle.) Hard work, free trade, an educated work force and no more Washington handouts are his general prescription.

As a sign of Mr. Alexander's new stature, his campaign now has an accountant to answer questions about how his net worth rose from \$150,000 to \$1 million while he was Governor and Tennessee was pulling itself up by its bootstraps.

After Tuesday's primary, the campaign will move south with fresh faces in very short supply — unless the voters turn to the perpetually ignored but deeply available Senator Richard Lugar. Eventually, the Republicans will decide that there is one of these flawed packages they can learn to live with. For proof that there is life after wilt, they just had to look across the snowbanks this weekend and spy Bill Clinton campaigning happily.  
GAIL COLLINS

**In Settling G.E. Landfill Case, New York Joined Mainstream**

To the Editor:

Re your Feb. 11 editorial on the environmental settlement between G.E. and the New York State Department of Environmental Conservation: For at least 20 years, most states and the Federal Government have settled environmental disputes through "credit projects" that benefit the environment rather than funnel penalty dollars into a general fund. This is sound policy. Both sides avoid wasting money and time in litigation. By extending its environmental benefits policy to industry, New York has joined the mainstream.

The primary basis for the settlement involving our silicone factory at Waterford was a fire at our landfill that began in 1993 and cost G.E. \$4 million to extinguish. We believed

that the landfill operated according to permit. Moreover, since 1989 G.E. has paid for a state employee to monitor the site. This person had unrestricted access to the landfill and all its records.

The state environmental department has said air monitoring showed "no significant risk" to people off site. Three years later, a state lawyer said that the dispute over whether

er wastes sent to the landfill were hazardous is "an honest disagreement" that has never been resolved.

As a former head of the Federal Justice Department's environmental enforcement section, I know that a case about a fire at a permitted landfill with a state monitor present is not very attractive for environmental enforcers. That the Waterford case had factual and legal issues that G.E. would have contested made it perfect for "credit project" resolution. The issue is not whether what happened at Waterford violated the law. New York thought so and took enforcement action. We disagreed. The issue is whether the settlement was fair.

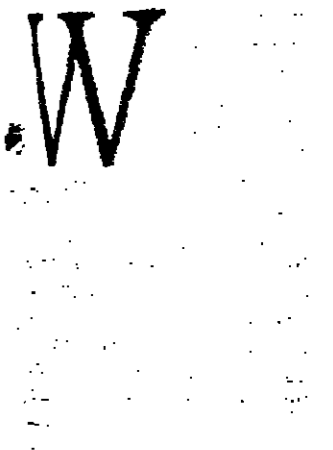
Given the facts, it is. The state avoided lengthy litigation it was by no means guaranteed to win; it also achieved significant environmental benefits. G.E. will spend \$1.5 million on projects that benefit people and the environment, plus \$6 million on waste-treatment technology for the landfill. By contrast, only a handful of cases in New York have resulted in a penalty as large as \$1 million.

STEPHEN D. RAMSEY  
Vice Pres., Corporate Environmental Programs, General Electric Co.  
Fairfield, Conn., Feb. 13, 1996

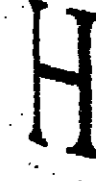
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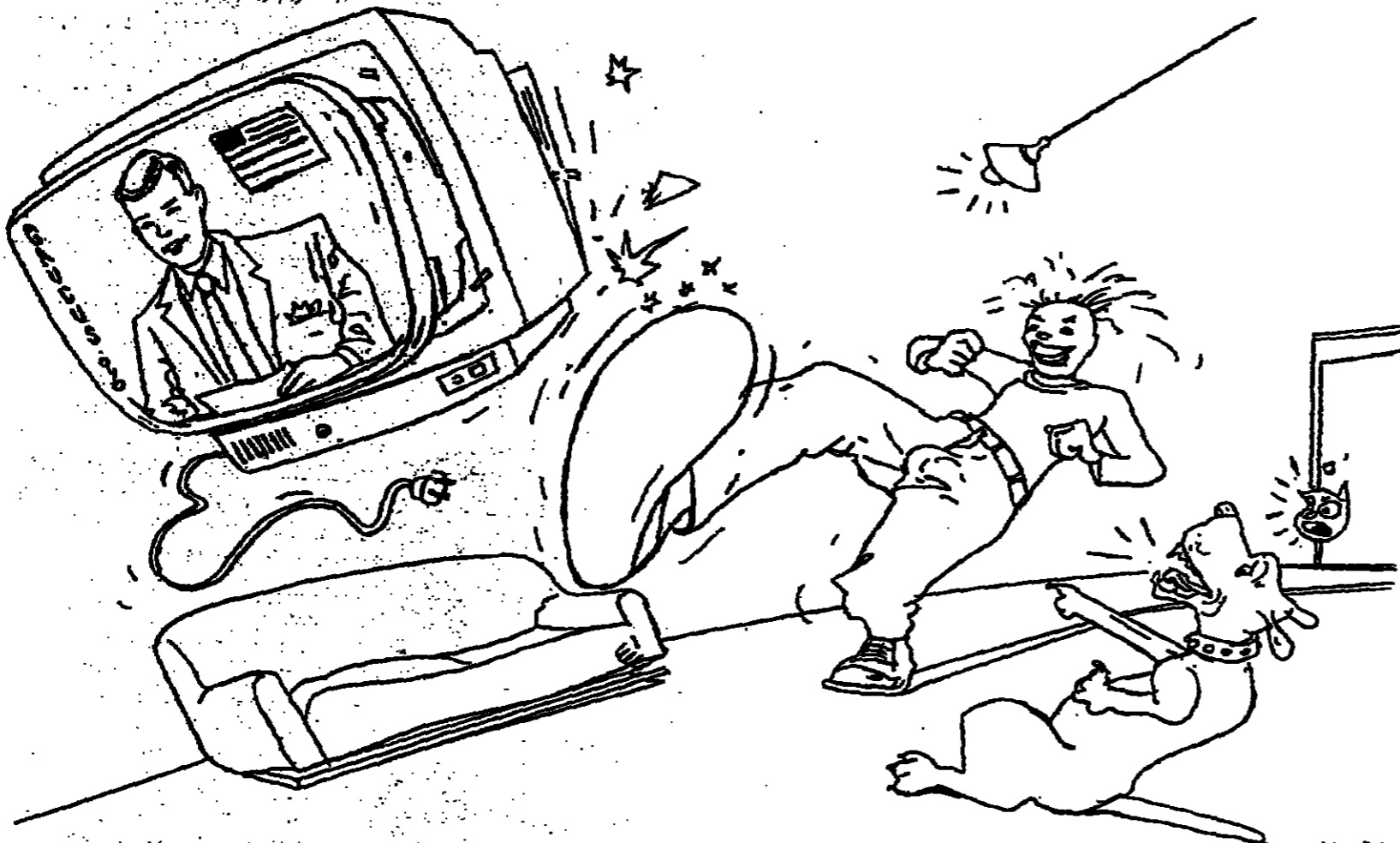
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A Game



# The Media Missed the Message



By James Fallows

WASHINGTON — "Iowa is history," the Republican strategist Ed Rollins told Larry King on CNN. It was Feb. 12, the evening of the caucuses, and within hours nearly all of the 3,000 correspondents and TV crew members who had gathered to cover the event had left the state. Many headed for New Hampshire, whose voters' political values and heritage they will find deeply fascinating until Tuesday night.

But the real problem with campaign coverage is that Iowa is not history in the normal sense. Real history involves fitting events together with some kind of pattern and consequence. This year's political reports have almost exulted in the idea that what was said, done and predicted yesterday has no effect on today.

With Iowa in the record books, everyone now knows the lessons it taught. Money, whether spent by Steve Forbes or Phil Gramm, can't save a troubled campaign. Negative ads can backfire, as Mr. Forbes's did badly, propelling him toward a fourth-place finish. Old-style grassroots organization is still crucial in a caucus state, which is why Lamar Alexander's endless treks through

James Fallows, Washington editor of *The Atlantic Monthly*, is the author of *Breaking the News: How the Media Undermine American Democracy*.

Iowa led to his third place "victory." Such insights seem so obvious now that it is hard to believe that anyone could think differently — except that just before the caucuses many political experts did.

One day before the voting, a front-page story in *The New York Times* said that Steve Forbes's blitz of TV ads marked the historic end of grassroots politics. No matter who won Iowa and New Hampshire, the story contended, the "image" of these contests "as the last redoubts of 'retail campaigning' has already suffered badly, perhaps irreparably."

A week before the caucuses, a political analyst for *The Washington Post* said that Mr. Forbes had emerged as the main challenger to

## The death of 'retail politics' was greatly exaggerated

Bob Dole because more plausible alternatives, notably Mr. Alexander, had "failed to catch on."

A week before that, Mr. Forbes's surge to popularity had put him on the cover of the news magazines, while Bob Dole's "tumultuous" demeanor when replying to President Clinton's State of the Union Message was widely said to be the beginning of the end for his campaign.

A few months before that, Colin Powell had been the presumptive

Republican nominee — or Pete Wilson or Newt Gingrich. A year ago, when Mr. Gingrich seemed to have permanently changed American politics, major newspapers reported a movement among dissatisfied Democrats to oust Bill Clinton from the ticket before he dragged the party to defeat in 1996.

The point is not that certain reporters guessed wrong about the Presidential race. Many of these same people, on other occasions, have guessed right, and many of their publications make a serious effort to explore the problems that the next President, whoever he may be, will confront. Still, it is amazing that so many journalists plunge so enthusiastically into an activity at which most are bound to fail: giving us hourly updates on who the next President will be.

As I listen to the latest clash of theories about how Lamar Alexander will handle Bob Dole, I think of medieval doctors debating whether a fever was caused by the "melancholy humor" or the "phlegmatic," not knowing that the real cause was bacteria. This year's election has brought the inevitable series of surprises — like Patrick J. Buchanan's "stunning" victory in Louisiana and unexpected strength in Iowa. Yet the same analysts who did not foresee these results weave them seamlessly into their scenarios for Tuesday's vote, when they are sure to be surprised again.

Stock market analysts are also great at constructing after the fact explanations as soon as daily trading closes: "Profit-taking drove the market down today." Yet most are smart enough not to offer careless predictions about what will happen

tomorrow. The difference is that real money is at stake. If you guess wrong in the market, people will pay — and they will remember what you said.

The airiness of the political-prediction industry rests on the assumption that none of it really matters and that no one (except the bedraggled candidates) will pay if you are wrong. Sizing up Lamar Alexander against Bob Dole is like having a pre-season argument about whether the Yankees or Dodgers might go all the way this year. It's fun to test your theories, and you can adjust them without penalty as the year goes on.

Such diversion is the ultimate purpose of sport. But politics involves something more: It is the way we solve our public problems. Political coverage should help explain what concepts like "corporate responsibility" and "moral crisis" actually mean, beyond their purpose as slogans in a campaign.

## Liberties

MAUREEN DOWD

# Memo: Be Ruthless

MANCHESTER, N.H.  
To: Delegates to the Republican National Convention  
Re: The Next Revolution

Sure, you're in a bind. No, it won't be pretty. Mutinies never are. But that's why you're Republicans. You have a strong stomach and you don't hesitate to shoot the stragglers.

Let's be frank. What we've got here is a bad batch of bananas. The eight guys sloshing through New Hampshire have been tested and tested and tested. We've seen their gimmicks, heard their attack ads and mullied over their — dare we say? — ideas.

You've got to call it quits and get a decent nominee. Take a mulligan.

It's a sad day for you when Bill Clinton is the most Reaganesque figure on the field. And while he may denounce big government now, you know a second term of Clinton & Clinton, as Bob Dornan calls it, will make the New Deal look like small change. Unchecked by the sobering prospect of another election, the Clintons will be truly themselves for the first time. Is that really how you want to move into the next millennium?

The enormity of the problem has been obscured by a primary system that endows even comic-book figures with a certain gravitas. Once the press behemoth has descended on Iowa and New Hampshire, once Dan and Peter and Tom sweep in with their electronic villages and Primary '96 logos, everyone has a stake in pretending the process works.

Even C-Span does not capture the true gruesomeness of the scene, the feeling of dread that descends when the blue "Lugar for President" minivan pulls up in front of your hotel, trolling for attention.

You cannot appreciate what it's like to run into the deeply wacky Bob Dornan in the hall and hear his theory about how Mr. Dole should shore himself up if he gets the nomination by naming his team early. "That way it would be our team against their team — Hazel O'Leary, Bruce Babbitt and Ron Brown," he told me. "Colin Powell should be Secretary of State. It would be so charming, an African-American Secretary-of-State visiting Africa. And also Europe, Asia and anywhere else he wants to go."

Is this what the Republican Party stands for? Bob Dornan? Alan Keyes? Morry Taylor?

In the 80's, your party seemed invincible. In '94, you swept the elec-

Thomas L. Friedman is on vacation.

tions. And now this? Bob Dole is not even Walter Mondale. We're getting into Harold Stassen territory.

Mr. Dole is a creature of the well of the Senate. At nationally televised debates, he acts as if he's making asides to colleagues in the cloakroom. His speeches are about legislation, some of it still bogged down in committee. His only claim to the Presidency is his claim to the Presidency.

And consider a Clinton-Buchanan contest. Backward reels the mind. How could country club Republicans cope with it, the guys with the lime green pants, gin martinis and pro-choice wives named Bunny? Pat Buchanan, saying nice things about the guys who trim their hedges and going after big business. It just won't do.

Now we come to Lamar?! The one with the unbearably annoying punctuation and red plaid shirts?! Does the country really need another sick/aw shucks former Governor from a

## After all, you're Republicans.

small Southern state with a smart wife who has a history of real estate sweetheart deals?

So here's the plan. Don't worry about who wins Tuesday. It's the lesser of three losers.

Arrange an awards banquet here in Manchester and invite all the candidates. Hand out some plaques. Give some testimonials. Praise Bob Dole for his patriotism. Give credit to Morry Taylor for bringing the vexing issue of selling tires to Mexico the prominence it deserves. Thank Steve Forbes for making it clear that rabidly negative ads are most potent if you pull them off a week before the election. Pat Dick Lugar on the back for conducting a civil, if unbelievably tedious and ineffectual, campaign.

Round up some popular governors like Steve Merrill, Christine Whitman and George W. Bush. Try Hollywood again — Arnold Schwarzenegger, Clint Eastwood, Kevin Costner. Then go to Virginia and kidnap Colin Powell. He's probably sick of tinkering with Volvos by now.

Once in San Diego, start brokering. Wait for the second ballot or go for a loophole. That's the beauty of being Republicans. You know how to make the rules — and break them.

# A Game We Couldn't Lose

By Richard Powers

URBANA, Ill. — Human worth hung in the balance again this weekend. Among the array of graver and more material contests now facing civilization, struggles from Sarajevo to New Hampshire, the one decided yesterday in Philadelphia stands out in its symbolic weight. In the chess match between Gary Kasparov, the world's best living player, and I.B.M.'s Deep Blue, an otherwise undistinguished super-computer, humanity's collective self-esteem was once more on the line.

The latest blow to our chauvinism began in the first round of the six-game match when Deep Blue bested our best after only 36 moves. Although Mr. Kasparov rallied to avoid humiliation in the series, the early result shocked not only the chess world; it shattered the pride of those of us who would never dream of pitting our own worth against a \$15 home computer program. Suddenly, we once again needed to explain ourselves to ourselves.

Mr. Kasparov's explanation was swift and emphatic: "We are now seeing for the first time what happens when quantity becomes quality." In effect, we have reached the age when brute force can outperform creativity. This statement, of course, begs the question of what creativity is. How do we, in fact, do things in that massively parallel processor of ours? We have a habit of perpetually redefining "creativity" as that which humans do and "brute force" as the stuff of machines. In each age, we have redrawn the borders of the inviolably human.

Mr. Kasparov's explanatory gambit has a familiar and time-honored ring to it. We have a long history of

losing to the brute force of machines. The corpses of Paul Bunyans and John Henrys litter our folklore, a folklore now all but lost in the Information Age's sea of stories. At each twist of industrial history, the grim reaper, as patented by McCormick, cuts another swath from our sense of distinction.

From Copernicus pushing us from the center of the universe to Darwin tying us to the lowliest of life forms, man has routed himself from his place of relative importance in the cosmos.

Yet we seem to overlook that each self-demotion has come from our increased ability to understand our

## Kasparov's struggles were a tribute to mankind's 'creativity.'

world. We ought to take pride in our record of technological invention that enables us to deflate our self-image while expanding our world to include much that previously lay outside our field of view.

My diabolical 7-year-old friend Mack, as yet little troubled by ontology, has recently discovered the deep pleasures of chess, just as I did when I was a few years older than he is now. Mack demands that I set up problems for him on the board. But his true triumph lies in shouting, "I got it, I got it," even before I can lay out all the pieces — a challenge much more interesting than the puzzle itself. Such preemptive intelligence testifies that in the most important ways, the game of chess will always be a uniquely human domain, and seven-year-olds will always be

uniquely, irreducibly brilliant.

But as a contest, chess does yield to brute force. All doubt on that score disappeared in Philadelphia. Any holdout pawn that Deep Blue failed to capture this weekend, some related parallel-processing simulation will mop up a year from today. Our continued humiliation at the hands of our own forks and pins is, as ever, just a matter of time and rigor.

But why should our self-esteem be more threatened by losing a game of mental projection than it is flattered by building a device capable of out-projecting us? That we can assemble an artifact capable of beating us at our own game is a stunning triumph for human ingenuity. The feat is almost as clever as inventing the game in the first place.

Perhaps we are old enough now, far enough along in our course of study, to stop disowning the artifacts that embody the breadth of our invention. The power and purposes of our machines after all, lie in no one's hands but our own.

Half a century of artificial intelligence has taught us a great deal about thought and thought's problems, about what is hard and what is easy. Chess, for all its supple beauty and cerebral ballet, is a fairly low-level puzzle compared to recognizing a face or mulling on the pains of coming of age or forging peace in Bosnia. Chess is easy. Small talk is hard.

Thought's hardest problems will continue to dominate human survival for as long as we are interested in playing that game. Highest and hardest of all is the challenge of accurate self-description. When a computer can produce a more intriguing rationalization than Mr. Kasparov's, a more moving lament in the face of checks to its own bruised ego, then humans will indeed have something to worry about.

Until then, it's the same old game: Strive to control the centerboard, and develop your best pieces. □

## New Encyclopedia of Zionism and Israel

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Richard Powers is the author, most recently, of the novel *"Galatea 2.2."*

F I L M

# Higher Style From Hong Kong's Film Masters

By NEIL STRAUSS

It is clear from the first scene in John Woo's new film, "Broken Arrow," an action epic about an Air Force commander gone AWOL with two nuclear weapons, which character will be the villain and which the hero. Sparring with his fellow pilot Christian Slater in a boxing ring, John Travolta says he is a fan of boxing. "I always liked Bruce Lee movies," Mr. Slater retorts.

Bruce Lee, of course, is the martial-arts actor who first introduced American audiences to Hong Kong pop cinema. Mr. Woo is a modern-day equivalent, bringing the latest in Hong Kong flash to an American audience. Christian Slater, in confessing his preference for the Eastern ethos of action, sets himself up to be the hero in "Broken Arrow."

In the 23 years that have elapsed since Mr. Lee's death, Hong Kong film making has progressed far beyond badly dubbed chop-socky and into slick production, lavish cinematography, actual acting and action scenes choreographed as meticulously as a ballet. Thanks in part to the influence of the genre on such Hollywood movies as "Reservoir Dogs," "Desperado" and "Die Hard With a Vengeance," the cult of Hong Kong film watchers in America has grown into a full-fledged audience.

In fact, it has grown so that in addition to the release of "Broken Arrow," Mr. Woo's second Hollywood film, two Hong Kong productions will open in American theaters in the next few weeks. "Rumble in the Bronx," a partly dubbed action comedy starring Jackie Chan, opens on Friday. And "Chungking Express," a subtitled art film directed by Wong Kar-wai, opens on March 8. In addition, theaters in many cities have scheduled festivals of Hong Kong films this month and next. They include the Plaza Twin Cinema at Grand Army Plaza in Brooklyn, which began its series on Thursday with Mr. Woo's excellent 1990 film "Bullet in the Head," a Hong Kong "Deer Hunter."

To connoisseurs of Hong Kong films, Mr. Woo and Mr. Chan are the genre's titans. They also represent two very different visual and narrative styles. Mr. Woo makes ultra-stylized, over-the-top action films with big body counts, cool-as-ice heroes and long, slow-motion shots lingering on the apparatus of the gun. His calling card is the two-fisted gun

battle, and more than once in the special-effects-laden "Broken Arrow," Mr. Slater can be spotted rolling and diving with pistols blazing in both hands.

Mr. Chan is an original for an entirely different reason: he is a lovable action hero who describes himself as a cross between Sylvester Stallone, Buster Keaton and Donald Duck. Usually directing and choreographing his films as well as starring in them, he never uses a stunt double or special effects for his superhuman leaps and falls. Where Mr. Woo likes to create bleak, noir psychological thrillers, Mr. Chan prefers more lighthearted family entertainment with the action unwinding in graceful, rhythmic scenes that are as funny as they are fast.

His signature is the outtakes he includes at the end of his films, showing exactly which failed stunt put him in the hospital. Watch carefully as he leaps from a bridge onto a moving Hovercraft in "Rumble in the Bronx," and you'll see his foot twist into an unnatural position; in the outtakes at the end, it is revealed that he actually broke his ankle in the scene. Mr. Chan is a man willing to die for his art, as long as the cameras are rolling.

Like most Hong Kong cinema, Mr. Woo's and Mr. Chan's films are built around face-offs between caricatures of good and evil. The main difference between "Broken Arrow" and "Rumble in the Bronx" is that in "Broken Arrow" the power of the characters lies in the technology of the weapons they hold, while in "Rumble in the Bronx" physical ability is the key to victory. This is why in Mr. Woo's films the characters often shoot one another through glass partitions, while in Mr. Chan's films, characters fall through glass partitions.

Throughout "Broken Arrow," Mr. Woo freezes the action at the exact moment when a gun is pointed at someone's head, loading the scene with all the existential drama of the South Vietnamese police chief moments from executing the Vietcong suspect in 1968. More significant, he treats the two nuclear weapons that Mr. Travolta steals as if they were two large and very powerful bullets. "I know you love having the power of God at your fingertips," Mr. Slater says to Mr. Travolta as they sit in the cockpit of the bomber before the theft. Later, one of the bombs is actually launched at a character as if it were a hefty bullet.



John Travolta, in John Woo's bullet ballet "Broken Arrow."

Richard Foreman/20th Century Fox

In "Rumble in the Bronx," in which Mr. Chan battles hoodlums terrorizing his uncle's supermarket as well as a gang of international jewelry thieves, the gun is empty as a symbol of power. Where Mr. Woo makes his characters archetypes of cool by filming them walking and smoking in slow motion, Mr. Chan demonstrates his heroics without any editing effects.

There are a few shots fired in "Rumble in the Bronx," but in the foot or bulletproof vest. When he crashes the hoodlum's hideout, Mr. Chan must earn respect in a fist fight, a fast-paced brawl in which he uses props ranging from refrigerators to pinball machines to maneuver his way to victory. A far cry

from Mr. Woo's hyper-realism, "Rumble in the Bronx" has its bad-dies yelling "rock-and-roll" before beginning their mayhem.

This was not a first attempt to break into the American market for either Mr. Woo or Mr. Chan.

Mr. Chan came to the United States in 1980. But Hollywood would not let him be himself: after starring in the flop "The Protector" with Danny Aiello and appearing as a Japanese race-car driver competing with Burt Reynolds in "The Cannonball Run," Mr. Chan returned to Hong Kong.

This time around, with "Rumble in the Bronx," Mr. Chan, 41, has decided not to tamper much with his Hong Kong style. There are, howev-

er, a few changes. Such alternative-rock bands as Ministry and Ash have been substituted for the syrupy Canton-pop soundtrack, a few of the slower scenes have been cut, and Mr. Chan has rerecorded much of his dialogue in English. (The movie, which was actually filmed in Vancouver, was shown in its full version in Chinatown theaters in the United States more than a year ago.)

It should be noted that, although "Rumble in the Bronx" was directed by Stanley Tong, Mr. Chan's fingerprints are all over the movie. For those who want to see Mr. Chan's roots, a 1978 kung fu film he stars in called "Snake in Eagle's Shadow" will be shown at the Plaza Twin Theater in Brooklyn on Thursday

and later in the year Miramax will release other Jackie Chan films. (New Line, expecting strong audience response, is sending "Rumble in the Bronx" into more than 1,500 theaters.)

Mr. Woo's American break came when he worked with Jean-Claude Van Damme on "Hard Target," released in 1993. Like Mr. Chan, Mr. Woo discovered that his producers reined him in, reducing the action he envisioned from breathtaking to yawn making. "Broken Arrow" is an improvement, and did more than \$15 million last weekend at the box office, but it does not redefine the genre like some of Mr. Woo's previous Hong Kong films, particularly "Hard Boiled" and "The Killer," which star Chow Yun-Fat, another Hong Kong star on his way to Hollywood.

There is a third stream of Hong Kong cinema, the art film, and the director Wong Kar-wai is one of its best-known proponents. In his films, there is still action, but the scenes are filmed in bright, blurred stop-time motion. This technique helps outline the larger themes of ambiguity and chance in his movies.

"Chungking Express," the first film distributed by Rolling Thunder, Quentin Tarantino's new company within Miramax, consists of two minimally intertwined stories, each about a brokenhearted police officer who becomes involved in a nebulous relationship. (It was shown at the New York Film Festival in 1994.) Where every back flip and gunshot seems extremely calculated in Mr. Chan's and Mr. Woo's films, the story in "Chungking Express" develops through rootless, wandering characters and random events, most of it beautifully filmed with a handheld camera.

It's an appropriate time for Hong Kong film makers and celluloid heroes to start making their presence known in America. Not only will the British hand Hong Kong back to China in 1997, possibly curtailing the freedom of these directors, but in recent years the Asian audience for Hong Kong films has been decreasing and the movies themselves have been cranked out at a faster rate than ever, losing much of their flair.

Perhaps in the coming years, Mr. Woo, Mr. Chan and Mr. Wong will find a Hollywood that will accommodate not just their hipster cachet but also the full extent of their ideas.

# Once More Into the Fray With John Cassavetes

By PETER M. NICHOLS

HOME video has always had a talent for revivals. Gather the films of a star or a renowned director, clear the rights, track down pieces of negative (inevitably scattered from Hollywood to Prague, or so it seems), box the special editions, alert the cognoscenti to the second coming, or whatever coming this particular revival happens to be, and stand by for a warm response from fans and a public that increasingly likes to collect tapes.

Nevertheless, one wonders what is in store for the revival of two works by John Cassavetes, the actor and fiercely independent director of a dozen films of total originality and sometimes annoying excess that challenged audiences for 25 years starting in the early 1960's.

On March 26 Fox Lorber and Orion will release "Shadows" (1961), Cassavetes's first film, and "Faces" (1968), his fourth and most commercially successful work. Both movies, which dealers list among those most requested by videophiles, will be on cassette for the first time.

Critics hold strongly varying opinions of Cassavetes, who died in 1989 at the age of 59. For the most part, his movies are rambling, often harrowing domestic dramas that constantly and uncomfortably probe the emotions and seemingly run on forever. Behind the camera, Cassavetes was a student of the marital blowup, the mental breakdown, the spiritual collapse. "He did not make films that were easily categorized, easily analyzed or even, for most audiences, easily liked," Janet Maslin wrote in The New York Times. "And he did not give an inch in making them."

Regardless of their difficulty, movies by the man whom many regard as the father of American independent film making would seem to be natural collector's items. But judging by the results of an earlier Cassavetes revival, that may not be the case.

In 1992, Disney released "A Woman Under the Influence" (1974), about a housewife and mother (Gena Rowlands) who is gradually and agonizingly destroyed by mental illness, and two other Cassavetes films from the 70's, "The Killing of a Chinese Bookie" and "Opening Night." The studio had also planned to issue "Shadows" and "Faces" but didn't.



John Cassavetes

Facts International Films

Disney, a purveyor of megahits, may seem a strange avenue for Cassavetes movies, which were shot in black and white, cut straight to the confrontational and played to relatively small audiences tolerant of their technical imperfections, disjointed scenarios, supremely unhappy endings and running times that often approached three hours.

But Cassavetes fans are where you find them. One enthusiast was Bill Mechanic, currently the president of 20th Century Fox but formerly the president of Walt Disney Home Video. "He loved John's films," said Ms. Rowlands, the director's widow, who starred in most of his movies.

Cassavetes was Mr. Mechanic's project. "We worked hard to catapult those films back into the consciousness of the film community," he said recently. "We did a big launch on 'A Woman Under the Influence,' maybe his most accessible film. We were well received in video stores."

Disney won't divulge sales figures, but dealers say that while "A Woman" sold well, the other two films did not and the studio lost money. Disney still distributes its Cassavetes titles, but before "Shadows" and "Faces" could be issued, the studio cut short its revival and sold the rights to both films back to their original owners, Ms. Rowlands and Castle Hill Productions.

By then, Mr. Mechanic had left Disney. "Faces" and "Shadows" are among Cassavetes' most important films, but they aren't the most accessible," he said. "For me this was a labor of love. Without somebody to love them, maybe it was time to sell them back."

Cassavetes films are still shown

theatrically in Europe, where they won many awards at festivals when they were first released, but they are virtually never shown in the United States. Before the Disney revival, only three of them had been on videocassette: "Gloria," in which Ms. Rowlands earned an Oscar nomination as a mob woman who cares for a child after his family is killed in a gangland execution, "Love Streams," about a twisted brother-sister relationship, and "Big Trouble," a Cassavetes-style comedy, about an insurance fraud.

Last year Fox Lorber bought "Shadows" and "Faces" and made plans for a second revival. Ms. Rowlands is eager to try again.

"After John died, I thought I'd really feel terrible if young people didn't get a chance to see his work," she said. "University kids get to see it because there are so many film schools, but John didn't make films for an elitist group. He wanted to reach everybody. We don't want to make a fortune, just have them out there for people to see."

Orion will distribute "Shadows" and "Faces" for Fox Lorber. And since MGM, Columbia and Universal also own Cassavetes titles, Herb Dorfman, Orion's president, envisions a joint venture in the future. "I can see putting together a Cassavetes collection where each of the studios, as a contribution to the art, would work in concert to make a boxed set available," he said.

Others don't see adequate demand. "His movies are just for smart people," said one video executive who refused to be identified. "There's a very limited audience. They have no more drawing power than 'Wild Strawberries' or 'Virgin Spring.' Cassavetes is as out as Bergman."

Commerce aside, being as "out" as Ingmar Bergman may not be the worst fate to befall a director. One striking characteristic of Cassavetes' films is that they are completely without artifice. "Shadows," for example, is the story of a struggling black musician and his two siblings, who suffer identity crises when they pass for white. Developed during an actors workshop and shot without a script, the film illustrates how Cassavetes entrusted actors not just to portray characters but to become them, often to the extent of reacting to one another spontaneously and improvising dialogue.

## WING NUTS

BY NORMA STEINBERG / EDITED BY WILL SHORTZ

**ACROSS**

1 Ball  
4 Handouts  
7 "Like, stupid!"  
10 Reprimand viciously, in slang  
16 Make suitable for family viewing, e.g.  
18 Close-fitting clerical garment  
20 Chest  
21 70's White House name  
22 Less compromising  
23 Kickback  
24 Crazy bird?  
26 Tied article of apparel  
28 "Happy Birthday" writer  
29 Doesn't forgive and forget  
30 Concluded  
32 "—ce pas?"  
33 Computer interface jack  
34 Forecast info, for short  
38 Attendance notation  
40 Silver or blue follower  
41 Bely  
42 "Butterfield 8" author  
46 Geronimo and Kin  
50 Hudson Bay settlers  
53 Brash  
54 Secure by tying down  
55 Recorder abbr.  
56 Mister abroad  
57 Play period  
58 Barbara, to friends  
59 Dressing ingredient  
61 Kama —  
62 "Bummer!"  
63 Bird's privileges?  
66 Kind of test  
69 Nubs  
71 Election results  
72 Numbskull  
73 Outdo  
75 The Andrews Sisters, e.g.  
77 Part of an Egyptian headdress  
78 Colonial sultan  
79 Subjects of New Age study  
80 1989 Winona Ryder movie  
82 Comic John  
83 Marquises, e.g.  
84 Jackie's second  
85 "The — Tale" (Chaucer segment)  
87 Pines  
89 Car with Teletouch transmission  
90 Polish partner  
94 Schlep  
97 Duplicity  
100 The sea personified  
102 Kind of game  
103 Spanish bear

**DOWN**

1 "Food, Glorious Food" musical  
2 New-sprung  
3 Since, colloquially, with "as"  
4 Grp.  
5 Trace  
6 Something one can't do  
7 Step lively  
8 A, as in Arles  
9 Dueling bird?  
10 Sort  
11 "What —... (cry of surprise)  
12 Dating a young bird?  
13 "It's — to the finish"  
14 Clotho, Lachesis and Atropos  
15 Push  
16 "Superb!"

**17 Artist's range of options**  
19 Speaker of baseball  
21 Police operation  
25 —friendly  
27 Arrests  
31 Reno transaction (out)  
35 Measuring (out)  
36 Shopper's burden  
37 Relative of reggae  
39 Multipart composition  
40 Short  
43 Prefix, of sorts  
44 Vacation homes, for short  
45 Old-style exclamations  
46 Group that did "I Do, I Do, I Do, I Do"  
47 Knell  
48 Long-finned tuna  
49 What a suspicious bird will do?  
51 Ruler in Exodus  
52 Cause of worry  
55 War statistics  
57 Old bandleader  
59 No. 2  
60 Understand  
61 Part of a process  
64 Expressed anger, in a way  
65 Villain's earful  
67 March time

**68 Ready to eat**  
70 Ballet —  
73 It runs in the woods  
74 Vietnamese city  
75 Treacherous birds?  
76 Hike  
78 TV's Bundy and others  
80 Symbols of speed  
81 Prior to  
82 Madame —  
83 French dancer of old  
86 Start of Caesar's boast  
88 Flips over, so to speak

**90 More than fast**  
91 Special team member, in football  
92 Conquerors of 1533  
93 YM competitor  
94 Actress Shire  
95 Due (to)  
96 French relation  
98 "— my Maypo!"  
99 High school math  
101 Song of David  
105 First name in jazz  
106 Impenetrability  
107 Certain soldier  
111 Trajan's way.

### ANSWER TO PREVIOUS PUZZLE

GABS SARAN LOLD NERO  
ALLTRENAGE ENCAPMENT  
EVAPORATOR WEDDINGTARA  
LABELERS CAR HORLBY  
TEND TILUC NET  
SWEDE DRUG PALMATE  
NERRO FRANK PARIS NE  
ETE POLICE EGUIST HALL  
SOLOISTE HILLS LARYNX  
LILES HILLS WERE  
HILLY GALLE LADDERAN  
ORLE APPOINTING FIE  
FLOE CAPPED OMBES GRO  
FEN JONES THZEN PRAT  
STEPPOINT JOKER DEARS  
OPT VERED DEARS  
KISSERS ALSO QUARDING  
WATINWELL SEANERORE  
INRAOTASTE TAYVEDALISE  
STILE HEAD CREED REE

Spivocilio

# Councils may not exclude non-Orthodox candidates

In the Supreme Court, sitting as a High Court of Justice, before justices Elyahu Mazza, Tova Strassberg-Cohen and Zevi Tal, in the matter of Prof. Yehudit Naot and others, petitioners, versus the Haifa Religious Council and others, respondents (H.C. 4733, 6028, 7105/94).

**A**FTER the local council elections in 1993, the minister for religious affairs was required, under section 6(b) of the Jewish Religious Services Law (Consolidated Version) of 1971, to reconstitute existing religious councils. He accordingly asked all local councils to propose their candidates to fill the quota of 45% of the religious councils, as demanded by section 3(a)(2) of the Law.

As laid down in Supreme Court precedents, the councils' selection of candidates was confined to two features. Firstly, each political faction was to propose its candidates in accordance, as far as possible, with its representation in the council. The council was then to consider the candidates' suitability for religious council membership.

The Jerusalem and Haifa city councils and the Tivon local council voted for members of religious councils, and all candidates associated with the Reform and Conservative movements were rejected. Three petitions were then lodged with the Supreme Court, sitting as a High Court of Justice, to set the elections aside on the ground of unjust discrimination, and the court decided to hear the petitions together.

Justice Mazza analyzed the situation and held that the Reform and Conservative candidates proposed in Haifa should be declared elected, and the elections in Kiryat Tivon and Jerusalem be set aside and new elections held within 60 days of the publication of the court's judgment.

## LAW REPORT ASHER FELIX LANDAU

Justice Strassberg-Cohen concurred with Justice Mazza's conclusions, and as to the necessity of a discussion in cases such as the present before a vote. However, she said, the court should avoid laying down general directives in this regard.

It was true every decision of a public administrative authority was to be based on tested, relevant grounds. But, as pointed out in Berger (H.C. 297/82; *The Jerusalem Post*, July 24, 1983), the degree of discussion and probing depended on each situation. Not every member of a public authority was required to express his opinion on every issue, but the discussion was to be conducted in good faith and without attempts to disrupt the proper democratic process.

She also warned against excessive reliance on the principle that decisions of public administrative bodies were presumed to be lawful. Citing precedents, she accepted the rule that where there was real doubt as to a decision's legality, it was for those supporting its legality to prove their case.

In her view, the facts in each case before the court created real doubt as to the legality of the

decisions made. Not only had the three councils not dispelled that doubt, but their explanations made the illegality even more convincing.

**J**USTICE TAL also agreed with Justice Mazza. He added that the Jerusalem decision was probably based on coalition considerations, and he wondered whether, since the city council was a political body, such a basis was perhaps permissible.

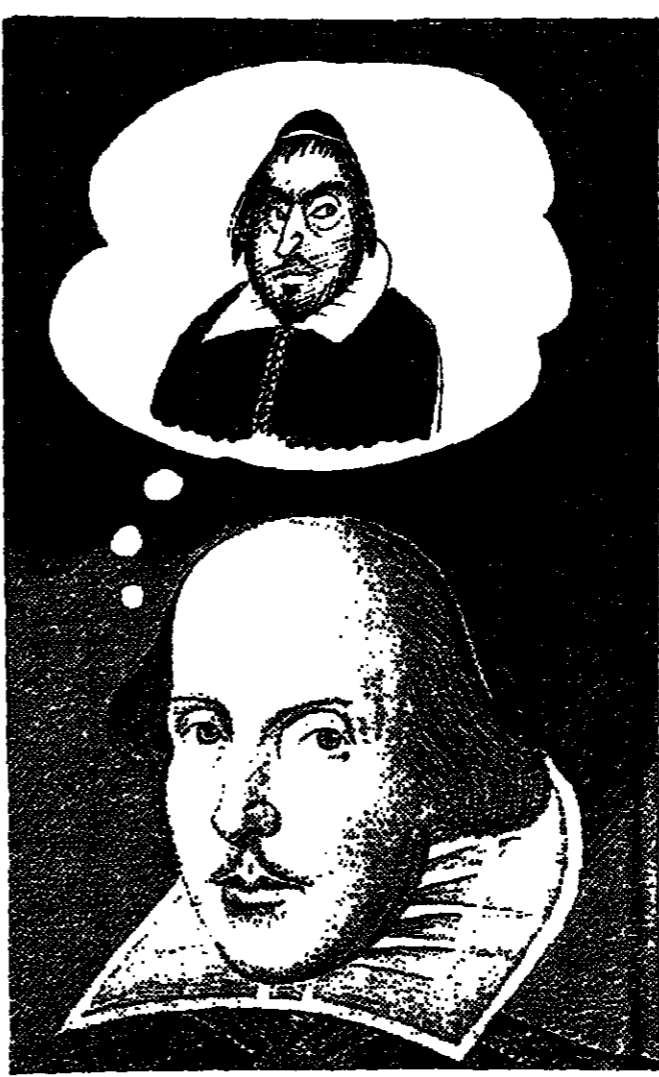
He was of the opinion that where unlawful reasons for disqualifying a candidate had been stated, and he was rejected on coalition considerations, it was for those who supported the rejection to voice their grounds for so doing. If they remained silent, they were to be regarded as having accepted the unlawful reasons stated.

For the above reasons, the petitions were allowed, and an order issued as held by Justice Mazza. The Haifa Municipality was ordered to pay the Meretz faction costs in the sum of NIS 15,000; the Tivon Local Council was ordered to pay the Meretz and Tal factions NIS 7,500 each; and the Jerusalem Municipality was ordered to pay Meretz NIS 25,000.

Rabbi Uri Regev appeared for the petitioners, Renato Yarak for the Haifa Municipality, Avraham Segal for the Tivon Local Council, Ya'acov Kamintzky for the Jerusalem Municipality, and Yehuda Shefer, senior assistant state attorney, for the religious affairs minister.

The judgment was given on January 1, 1996.

## An American author takes a fresh look at antisemitism in the Elizabethan era. Peter Greenbaum reports



**F**or centuries, he has stalked across the world's theater stages and demanded from each generation his pound of flesh. Of all Shakespeare's creations, the character of Shylock in *The Merchant Of Venice* remains the most disturbing and controversial.

In *Shakespeare and the Jews* (Columbia University Press), author James Shapiro examines the Elizabethan era in which the character of the Jewish moneylender was created. His cultural history of the Jews in England's early modern period offers a fresh look at an old problem: What are the origins of antisemitism and why does it persist?

"The questions that are at the heart of *Shakespeare and the Jews* are not simply about Jews as usurers or Jews as religiously different," says Shapiro. "They are about Jews as different in a lot of complex ways. The questions that interested Shakespeare then are still around today. One of the things I try to do is understand why people thought these things about Jews and what the implications are."

Shapiro, who teaches Shakespeare, literature and humanities at Columbia University in New York, spent six years writing *Shakespeare and the Jews*. His research took him to archives in Israel, Oxford, Cambridge, the British Museum in London, the Huntington Library in California and the Jewish Theological Seminary near his home in Brooklyn.

is how intelligent people can believe myths about others in order to confirm their own sense of identity."

In 1290, King Edward I expelled all Jews from England. Historic tradition has maintained that no Jews lived there during Shakespeare's lifetime. But Shapiro argues that by the 16th century, there were at least a couple of hundred Jews living in England.

"Jews don't figure largely in Shakespeare's canon, but they do in other Elizabethan works," says Shapiro. "It was a culture obsessed with Jewish questions, and in some ways not much different from our own. When I went into the archives I was interested in discovering whether there were Jews in Shakespeare's England and what kind of Jews they were. Before I could get really far with that question, I had to ask, 'Who or what was a Jew?' I began to see ways in which Shakespeare and his contemporaries saw these pressing questions, because they

had to do not only with what Jews were, but what they themselves were."

*Shakespeare and the Jews* paints a portrait of early modern England as a country at odds with its own racial makeup. In the half century or so after the Reformation, English masqueraded as Jews. Jews masqueraded as Christians and individuals of both faiths moved back and forth between religious groups.

According to Shapiro, some Protestant sects identified very closely with the Old Testament as truth and recognized Sabbath worship and other Jewish practices. *Shakespeare and the Jews* is filled with curious tales, like the story of Traskie, a radical Puritan who believed he was Jewish. Traskie and his followers kept kosher, obeyed Jewish law and even practiced circumcision. Eventually, they were viewed by the state as a threat. Traskie was arrested, imprisoned and had the letter J branded on his forehead. Soon after, he recanted.

"It was a very strange period in English religious history," observes Shapiro. "Our notions of race were emerging and developing for the first time, and Jews were right at the center of those definitions."

"Shakespeare's England teaches us to think twice about confusing myths and history. We live in a world in which there is tremendous nationalist and ethnic strife wherever we look, and it's not going to go away. What his play and culture's treatment of Jews tell us is that we like to turn myths into history."

By the 18th century, the debate about whether Jews could ever fit in with the English establishment had intensified. *The Merchant Of Venice*, which seemed to embody the worst prejudices, had become a focal point.

"One of the things I discovered was a 'Jew Bill' of 1753, which caused a very bitter debate that preoccupied all of England during an election year," says Shapiro.

"It was about whether foreign-born Jews could be naturalized. But it was really about whether Jews could be English as well. These questions once again put a lot of pressure on what it meant to be English. At the center of this controversy was *The Merchant Of Venice*, which even then became a way of positioning issues about Jewishness and Englishness."

Currently, Shapiro is at work on a literary history that traces issues of Englishness and Jewishness in literature from Chaucer through the present day. It will be his third book.

"I live in the 16th century most of the time," confesses Shapiro. "It's easier for me to think like an Elizabethan. I'm trying to understand how I can be both a Shakespearean and a Jew at the same time, which is not very easy."

What about Shakespeare himself? Was he antisemitic?

"They say that Shakespeare's words are not for an age but for all time," says Shapiro. "I think it's impossible to know what his intentions were. There will be interpretations of the work that see it in a positive light and in a negative light."

"We know he cared about understanding the nature of people's differences, and that's why we still read him. As long as we're a culture that's driven by questions of racial, national and religious differences, they [his words] will be for all times. When his words no longer excite and disturb us, it will be time to find a new author."

# Industrial giants aim for zero pollution

**S**cientists and engineers at DuPont Co., the Delaware-based chemical manufacturer, are getting closer to an ambitious goal: creating the world's first zero-waste and zero-emission industrial facility.

Since launching the project in the late 1980s, the company has introduced some notable anti-pollution measures. By eliminating some chemicals and reducing the use of others, DuPont officials say, they have cut the output of cancer-causing air pollutants from the company's facilities by almost 70 percent, from 8.4 million pounds in 1987 to 2.6 million pounds in 1994. They are seeking a further 20 percent reduction by the year 2000.

Using leftover milk jugs and other disposable plastic containers, the team invented Tyvek, a durable polyethylene material. Also used to make the hard-to-tear envelopes sold by the US Postal Service, the compound has helped slash the amount of plastic DuPont discards by 25 percent.

DuPont scientists have invented new processes for recycling the company's products. The latest, called the Peretec regeneration technology, reduces polyester to its components by adding methanol.

In a process introduced several years ago, ammonia is used to break down nylon carpeting to chemicals that can be recycled.

DuPont is not the only industrial giant trying to eliminate waste. Polaroid Corp. removed mercury

from its battery-making process a few years ago, making it possible to recycle batteries.

Union Carbide Corp. replaced solvents with carbon dioxide in spray paint, reducing emissions of volatile organic compounds by more than 70%.

At DuPont, researchers have used factories as laboratories for testing new manufacturing concepts. At a Waynesboro, Virginia, Spandex factory, they cut waste by increasing the yield of the synthetic fabric produced from raw materials by 15% over the past five years. Researchers also cut emissions of the toxic gas carbonyl sulfide by an average of 70% at five facilities by altering the process for manufacturing a white pigment used in paint.

David Roe, an attorney with the Environmental Defense Fund, praised DuPont for leading the campaign to cut waste and emissions.

"This seems to be a serious effort at addressing a major environmental problem," he said. "We are anxious to see how successful it turns out to be." DuPont executives acknowledge that the goal of zero waste and zero emissions still eludes them. "But having the goal forces us to be more and more creative in our research efforts," said Paul Tebo, the company's vice president for health, safety and the environment. "The more we focus on it, the more we find that eliminating waste really means finding novel uses for things we used to throw away."

(Washington Post)

# Living fossils are now endangered species

**S**ea horses are a very ancient species, one of the true living fossils of the world. They are found in warm, quiet waters along the shores of all the continents and come in varying sizes.

Here they are a strictly protected species, but in some other countries they are extremely popular as a salt-water aquarium fish. This trade in itself accounts for some losses of sea horses, but what really decimates these unique little members of the pipe-fish family is their valuable use in the practice of traditional medicine in the Far East.

The trade is so brisk that an estimated 20 million sea horses are used annually, with 16 million of these consumed as traditional remedies or a health-food additive in China, Taiwan, Hong Kong and Singapore alone.

The demand for dried sea horses has increased tenfold in the past decade, according to a report by Oxford University senior researcher Amanda Vincent, who reports to Traffic - the group that monitors endangered species.

In the seas around Bali and Java, Vincent says the number of

## EARTHLY CONCERNS D'VORA BEN SHAUL

sea horses surviving in nature have been halved in the past five years alone.

Sea horses are fished in the coastal regions of the Middle East to India, the Far East, Australia and South America, and there are few areas where they enjoy the protection of the law.

The demand is high and the rewards are great. In Hong Kong, bleached, dried sea horses sell for \$1,200 per kilogram, approximately seven times the price of silver.

Sea horses are easy to catch, since they are slow-moving and remain for long periods attached by their prehensile tails to a stem of water vegetation.

In addition, it is the male sea horse that bears the young, and they are somewhat larger than the females.

The female lays her eggs into an abdominal pouch on the male. The pouch contains sperm which fertilizes the eggs, and the male carries the young sea horses, a small brood of them, for up to six

weeks. During this period, his abdominal pouch becomes very large. As he is a very awkward swimmer, he is the easiest sea horse to catch.

But Vincent does not think much good would be accomplished by banning this trade, because she says it will simply go underground, become more lucrative and be almost impossible to monitor.

Instead, she says the future of the sea horses lies in the creation of reserves in the areas where they are caught so they will naturally repopulate the surrounding areas.

This, she says, is a matter of educating people that if they do not have reserves, there may soon be no sea horses at all. She also advocates setting up a few large captive breeding sites so that captive bred sea horses can be released back into the oceans in their familiar haunts.

The sea horse is just one of the many creatures whose lives seem to be forfeited in the practice of traditional medicine around the world. The list also includes rhinoceros, sea turtles, geckos and a host of others.

**THE ECONOMIC FORUM**

In conjunction with the Ministry of Tourism, together with the Association for Promoting Tourism in Israel, the Jerusalem Development Authority, the East Jerusalem Development Company and the Jerusalem Hotel Association

**Jerusalem as an International Tourism Center in the Era Of Peace**

Seminar and Gala Dinner, under the patronage of  
**Minister of Tourism, Uzi Baram**  
Sunday, March 3, 1996 at 6:30 p.m.  
in the Teddy Auditorium, International Congress Center, Binyanei Ha'uma, Jerusalem.

**In the presence of Mayor of Jerusalem, Ehud Olmert MK**  
Chairman: Eli Gonen, Director General, Ministry of Tourism

**Speakers:**  
Amos Mar-Haim, Chairman of the Jerusalem Development Authority • Ya'acov Efrati, Dir.-Gen. of the Jerusalem Municipality  
Amnon Lorch, Chairman of the East Jerusalem Development Co.  
Novi Cartes, architect • Advocate Yehuda Rave  
Guest Speaker: Benny Gaon, Managing Director of Koor Industries Ltd.

**Moderator: Gad Lior, Head of the Jerusalem Bureau, Yediot Aharonot**

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# BUSINESS & FINANCE

MONDAY, FEBRUARY 19, 1996

## Bezeq awaits India's ruling on privatization Court's verdict expected today

NEW DELHI (Reuters) - Bezeq is awaiting the verdict of India's Supreme Court today on key petitions against the government's move to privatize the state-run telecommunications monopoly.

A court statement said yesterday that Justice N.P. Singh, one of three judges hearing the case, would announce the verdict, ending weeks of waiting for foreign investors keen to make inroads in the lucrative sector.

The 10 petitions target the government's ambitious but embattled program to open up the nation's basic telephone services to private companies, a symbol of Prime Minister P.V. Narasimha Rao's economic reforms.

Backers of the petitions include seven Upper House deputies of the Janata Dal party, a socialist opposition group.

Some Marxist and nationalist technocrats also believe India should not give up its monopolies in infrastructure.

Chief Justice A.M. Ahmadi, heading the three-member panel, said last month that the court would not examine the government's constitutional right to privatize the telecommunications sector.

In December, the court ordered the government to put a hold on awarding any licenses to firms to operate basic telephone services, the backbone of the privatization program, until it had ruled on the petitions.

The court's stay came at the height of an opposition protest which all but paralyzed parliament during its month-long session in December.

Opposition lawmakers accused the government of favoring one firm and bungling the program.

Lawyers said the court was likely to focus on the rules of privatization and not the policy to seek private investment.

## Clal Industries to buy 50% stake in Yotvata

CLAL Industries has reached an agreement in principle to purchase a 50 percent stake in Yotvata Dairy for NIS 100 million, the company informed the Tel Aviv Stock Exchange yesterday.

Meir Laser, general manager of Clal Industries, said the purchase is in the framework of the Clal (Israel) group's plan to increase its investments in the food market.

Laser said negotiations commenced several months ago. The companies are currently formulating a final agreement which will include an understanding on Clal's involvement in the company's management.

According to Laser, there will be no major changes in Yotvata's top management.

GALIT LIPKIS BECK

Laser said Clal's decision to invest in Yotvata is mainly due to the milk product manufacturer's high quality products and the company's potential to sell to Jordan and Egypt.

The companies are also considering exporting Yotvata's products to Europe. "We decided to invest because of the quality of the company, which is known to everyone in Israel. The company has high quality people and products," said Laser.

According to Laser, Clal will contribute to Yotvata's development of new products which are distributed and marketed through Tmva.

Yotvata officials were unavailable for comment.

Several weeks ago, Clal negotiated to purchase a 21% stake in Elite Industries from the Federman group.

But the negotiations fell through after Elite general manager David Federman reached a partnership agreement with Strauss.

Today, Clal's holdings in the food industry include a 57% stake in frozen food manufacturer Sunfrost, which suffered losses last year; and a 25% share in Hypershuk, which merged with Co-Op North and is also losing money.

Clal's most profitable investment is its 25% share in Jaf-Ora, the soft-drink manufacturer.

## Bank of Israel may require some banks to open on Friday

MORE than 30 percent of all bank branches will remain open Friday if the Bank of Israel adopts Supervisor of Monopolies Yoram Turbiovitz's directives on the banking sector's planned shift to a five-day work week.

At the end of last week, Turbiovitz told Supervisor of Banks Ze'ev Abeles that all banks will be able to cut by one day their six-day work week provided at least 5% to 10% of each bank's branches will remain open on Fridays, as will at least one branch in each city where a bank operates.

The banks are to close branches on Fridays as of March 1, after having reached an agreement with the Histadrut on a five-day work week.

Heads of the banks' workers committee said they plan to ignore Turbiovitz's instructions, which in the case of the smaller banks mean most workers will work a six-day week since such banks have no more than one branch in each city.

GALIT LIPKIS BECK



Abeles's recommendations are the basis for Turbiovitz's directives on the banks. (Tav Or)

Louis Roth, head of Bank Leumi's workers committee, said, "Turbiovitz does not understand what he is saying."

In practice, it means banks will be open six days a week, since in

many places like in Kiryat Shmoua, Ofakim and other towns, the banks operate only one branch.

Chairman of United Mizrahi Bank workers committee Sarah Laseroz said it will be very difficult to implement Turbiovitz's instructions, explaining that bank secrecy regulations make it impossible for a branch manager to obtain information about customers with accounts in another branch.

"Turbiovitz's instructions sound good, but they can't be implemented with the existing communication systems."

The implication of having only a few branches open is that there will be no telephone communication link, making it impossible for bank clerks to receive information about customers with an account in one of the closed branches," said Laseroz.

A Bank of Israel spokesman said many of Turbiovitz's instructions, including keeping 5%-10% of all banks open, are based on Abeles's recommendations.

He said the Bank of Israel is in the midst of calculating the cost of moving to a five-day work week.

According to the Banks Association, banks will lose NIS 500 million per annum if they move to a five-day work week.

Turbiovitz has emphasized to the Bank of Israel that if he does not formulate new bank work directives, each bank will have to receive approval before making the change.

Turbiovitz said the banks' move to a shorter work week is also subject to finding a solution for trading foreign currency.

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ISRAEL DISCOUNT BANK

### BUSINESS BRIEFS

Jerusalem-based Encotone announced yesterday it has received an order from Spanish bank La Caixa for 500 units of its TeleID acoustic identification and authentication device. This initial order will be used in the first stage of La Caixa's computer banking service. The second stage will extend the system to all computer banking customers, about 50,000 institutions.

Once a phone banking service is put into operation, customers will be able to conduct transactions by phone. La Caixa is expected to equip 500,000 customers with TeleID units over the next three years. Encotone said yesterday the deal could eventually be worth over \$12m. Encotone is a 26% subsidiary of ECI Telecom. Rachel Neiman

Dutch software firm EDI-TIE and its Israeli distributor Shai Information Systems have established a jointly held subsidiary, EDI-TIE Middle East. Rachel Neiman

Elec subsidiary Elcomat has been awarded a \$3.3m. contract to supply the Israel Electric Corporation with three-phase power supply meters. The meters will be produced in cooperation with Swiss firm Landis & Gyr in order to meet IEC's timetable. Rachel Neiman

Algorithmic Research has signed an up-to-\$8m. cooperative agreement with French smartcard developer GemPlus. Algorithmic Research will research and develop GemPlus' next generation of so-called electronic wallets over the next several years, as well as provide consultancy services for current products. Rachel Neiman

Belt Hashita has been named sole provider of olives to Domino's Pizza in Israel by local licensee Omni Brand Names. The contract - for 50 tons of olives per year - is estimated at NIS 400,000. Rachel Neiman

Walden Israel announced yesterday it has executed a \$1.6m. investment in SmartLight, financed by investors including venture capital firms Mofet, Evergreen and Quantum. Private investors in SmartLight include Uzia Galil of Elron and Zvi Alon of Netmanage.

SmartLight, a privately held company, is developing a medical diagnostic imaging apparatus based on electro-optic techniques. The apparatus would be used to enhance the quality of reading and interpreting medical x-ray films by radiologists. The company, headquartered in Haifa, was founded in 1995 by two former Elscint senior managers together with a third partner. Rachel Neiman

## Profits up at Israel Gen. Bank

### COMPANY RESULTS

GALIT LIPKIS BECK

ISRAEL General Bank, a member of the Edmond de Rothschild group, yesterday reported a 109 percent growth in net profits for the fourth quarter, compared with the same period in 1994.

General Bank is the first local bank to publish its earnings for the year, completing 1995 with an 11% rise in net profits to NIS 13.3 million from NIS 12m. in 1994.

Annual net return on equity

rose to 6.5% from 6.2%. Profit from financing operations, before provisions for doubtful debts, increased 30.3% last year, to NIS 37.8m. from NIS 29m.

Direct Insurance a subsidiary of the Zur Shamir group, reported a fourth quarter net profit of NIS 998,000.

The company, founded at the end of 1994, completed last year with a net profit of NIS 404,000.

### ISRAEL MONEY MARKETS

Patah (foreign currency deposit rates) (14.2.96)

Currency (deposit for)	3 MONTHS	6 MONTHS	12 MONTHS
U.S. dollar (\$500,000)	4.375	4.250	4.250
Pound sterling (£100,000)	4.375	4.250	4.250
German mark (DM 200,000)	1.750	1.750	1.750
Swiss franc (SF 200,000)	0.250	0.250	0.250
Yen (10 million yen)	—	—	—

(Rates vary higher or lower than indicated according to deposit)

Shekel Foreign Exchange Rates\* (16.2.96)

CHECKS AND TRANSFERS	BANKNOTES		Rep. Rate
	Buy	Sell	
Currency basket	3.4747	3.3308	3.3308
U.S. dollar	3.0742	3.1288	3.1050
German mark	2.0820	2.1277	2.1145
Pound sterling	4.7887	4.6151	4.58
French franc	0.0080	0.0178	0.03
Japanese yen (100)	2.0001	2.0000	2.0007
Dutch florin	1.8285	1.8287	1.8287
Swedish krona	2.0000	2.0004	2.0007
Swiss franc	0.4448	0.4518	0.4485
Norwegian krona	0.4788	0.4871	0.48
Danish krone	0.5414	0.5502	0.53
Finland mark	0.0702	0.0811	0.07
Australian dollar	2.5294	2.5254	2.529
S. African rand	0.8001	0.8425	0.825
Belgian franc (10)	1.0176	1.0241	1.015
Austrian schilling (10)	2.9787	3.0248	3.07
Italian lira (1000)	1.9588	1.9701	1.950
Japanese Yen	—	—	4.333
Egyptian pound	—	—	0.5791
ECU	3.6422	3.6022	3.6117
Irish punt	4.5748	4.5235	4.73
Spanish peseta (100)	2.4947	2.4848	2.48

\* These rates vary according to bank. \*\* Bank of Israel. SOURCE: BANK LEUMI.

(מסומן) TARGET TARGET Mutual Fund for Foreign Residents

Date: 15.2.96

Purchase Price: 147.83

Redemption Price: 145.54

למסומן פריים פונד

PRIME פריים Mutual Fund for Foreign Residents

Date: 15.2.96

Purchase Price: 108.72

Redemption Price: 107.26

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09/96/511/0	Data Transfer Applications for A.T.M. Network	—	2/4/96 at 6 p.m.	NIS 1,000	02-395616 615

The following general conditions apply:

- Pre-conditions:
  - Parties submitting bids must comply with all laws, including the requirement to keep account books, be an authorized trader, and hold valid licenses to trade, and must comply with all relevant standard specifications.
  - Willingness to provide a guarantee, as explained in the tender documents.
  - Compliance with the "minimum" conditions, given in the tender documents.
- The tender documents can be obtained from the Tenders and Ordering Department of the Purchasing Division, 15 Rehov Hazvi, Jerusalem, between 9 a.m. and 12 noon, Monday to Thursday. The tender documents will be provided on submitting a receipt for payment for the above sum.
  - In Israel, payment should be made into Bezeq's Postal Bank account no. 5-311757.
  - Overseas suppliers should make payment into Bezeq's account no. 12-901-97633/64, at the Jerusalem main branch of Bank Leumi Ltd. The fee for the tender documents is non-refundable.
 The receipt, with details of your company, and authorized trader's number may be faxed to 972-2-3781115. Please phone afterwards (phone numbers as above), to obtain confirmation of receipt of the fax.
- Bids should be placed in the tenders box at 15 Rehov Hazvi, Jerusalem, not later than 6 p.m.
- No undertaking is given to accept the lowest or any bid, or to order the entire work from one source.

Bids sent by fax or telegram will not be considered.

Submission of Bids for Tender 67/95/006/0 for a Multimedia Instruction System

The last date for submitting bids for the above tender has been changed to April 2, 1996, at 6 p.m. (previously March 12, 1996). All other conditions remain unchanged. Queries should be addressed to Tel. 02-395429, 616.

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רדיו ירושלים

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Radios	Sharon	100 FM
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Last date for submitting bids: Thursday, March 23, 1996, at 12 noon.

Bid forms are available from the Tenders and Purchasing Department, The Accountant General's Office, Room 714 or 715, Min. of Finance Building, 1 Rehov Kaplan, Jerusalem.

Additional details can be obtained from 02-317428, 02-317418.

No undertaking is given to accept the lowest or any bid.

Real Estate & Investments in Israel 1996

Just before Pessach, The Jerusalem Post will publish special supplements devoted to real estate and investments in Israel.

The supplements will be published in the International Editions of March 4, 11 and 18 and in the daily paper on April 5.

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### Key Representative Rates

Change	%
US dollar.....3.1050	-----
Sterling.....4.7833	-----
Mark.....2.1145	-----

## Gold prices soar as rand falls

### COMMODITIES ROUNDUP

THE South African rand fell to an all-time low against the dollar and gold prices soared Friday in an abbreviated session following rumors (which were later denied) that South Africa President Nelson Mandela had suffered a heart attack and that foreign currency exchange laws in South Africa would soon be eased.

April gold ended \$1.80 higher at \$407.50 an ounce and Comex silver closed Friday's abbreviated session with strong gains.

Traders attributed the rise to fund buying late in the day, as well as the weak rand against the dollar.

March silver settled 7.7 cents higher and closed at \$5.722 an ounce. Comex copper futures closed lower on Friday, as LME stocks soared to their highest level in over a year, sources said.

The March contract ended 1.15 cents lower to 112.50 cents a pound.

Spot corn futures hit new 15-year highs during Friday's trading session.

Bullish fundamental news, including active exports and some weather concerns for the US Midwest, propelled corn futures to a higher close with the most active March contract up 1-3/4 at \$3.80 per bushel.

Spot wheat futures ended lower on Friday, due to position squaring ahead of the long weekend (Today is Presidents' Day in the US, and all markets there will be closed).

The market is currently underpinned by talk of near-term US exports, traders said. March wheat closed 2-3/4 lower at \$5.23-1/4.

The concerns about weather patterns in the US Midwest also pushed new crop November soybean prices higher, while the other contracts closed mixed on Friday, analysts said.

Although it may be early in the season to worry about bad weather for the November crop, US grain stocks are currently very tight and there is very little margin for error.

The March contract closed down 2-1/2 at \$7.30 a bushel. Cotton futures settled higher in a dull trading session ahead of the long US weekend.

The March contract rose 0.46 cents to close at 84.98 cents a pound. Cose March sugar reached a fresh one-year settlement high on short covering on Friday, traders said. The March contract closed at 12.66 cents a pound, up 0.17 cents.

Some analysts have predicted a sizable surplus of sugar will hit the world market later this spring. Cose Arabia coffee finished a short trading session lower in dull trading, with the most active May contract falling 0.40 cents to 122.50 cents a pound.

Cose cocoa settled the week weaker on mixed speculative and industry-related selling. The May contract closed at \$1,315 a tonne, down \$10 on the day.

Courtesy of Michael Zweimer, CommStock Trading Ltd.

# 'Rand's plummet shows worry among investors in S. Africa'

JOHANNESBURG (Reuters) — The dramatic fall of the rand on currency markets at the end of last week showed that investors were still nervous about South Africa's future, the *Sunday Times* said.

It said Friday's dramatic plunge — to an all-time low against the US dollar of 3.90 rand — showed that while the country had made a peaceful transition to majority rule and foreign countries showed "benign feelings" to the new democracy, the country carried the burden of Africa's failures.

"...It sounds a warning that foreign opinion, as well as much local opinion, is deeply nervous about the future," the newspaper said. "Among investors, faith in this continent is paper-thin, and the specter of a South Africa torn to shreds by sectional hatreds has not yet been erased."

The slide began on Thursday after rumors, later denied, that President Nelson Mandela had suffered a mild heart attack.

Speculators also bailed out over fears that an easing of foreign exchange controls could trigger capital flight and the fall gathered pace on Friday as major investment funds in Europe and the US sold the rand.

It lost more against the dollar in

a single day than in the whole of 1995 and at one stage a dollar cost 3.90 rand, against 3.65 on Thursday.

It recovered slightly to around 3.80 by the time the local foreign exchange market closed.

The newspaper said the currency's battering also reminded the nation of the importance of Mandela to South Africa's success.

"It was a reminder, also timely, that his extraordinary stature as a peacemaker and conciliator remains the pivot of international confidence in our future."

"There is nobody else to pro-

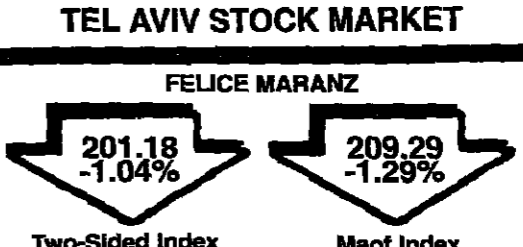
vide that assurance."

The paper said Mandela's "anointed crown prince," Deputy President Thabo Mbeki, did not inspire confidence.

"...Markets are as ruthless in passing judgment as they are swift, and the idea that Mr. Mandela may be replaced by Mr. Mbeki inspires great nervousness," it said.

Mandela and Mbeki's ruling African National Congress would have to convince the world that it was able and willing to carry on the policies of reconciliation that had made Mandela an international symbol of peace, it added.

# CPI rise pushes down indexes



STOCK indexes fell to their lowest levels in two months amid concern the Bank of Israel will raise interest rates, increasing companies' borrowing costs and drawing investment toward savings plans.

Last Thursday the Central Bureau of Statistics announced that January's Consumer Price Index rose a relatively high 0.9 percent from December.

The announcement came after the Tel Aviv Stock Exchange had closed for the day.

"After the high CPI, everyone's afraid that interest rates will go up," said Avi Meir, an investment manager at Israel General Bank. "Nobody wants to buy stocks today."

The Bank of Israel last increased interest rates on February 1, when the rate at which it lends to banks rose to 14% from 13.7%.

Losses were led by Koor Industries Ltd., the most active share on the exchange, which fell 0.75 as NIS 3.5 million worth of shares changed hands.

Koor's American Depository Receipts in New York rose 1/4 to 19 7/8 on Friday from Wednesday, the last day of trading on Wall Street to influence Tel Aviv.

The Maof Index fell 1.29% to 209.29 and the Two-Sided Index decreased 1.04% percent to 201.18.

Of 998 issues trading across the exchange, nearly twice as many shares fell as rose. More than NIS 70.3m. worth of shares traded, NIS 8.8m. below this month's

trading level.

Declining shares included Teva Pharmaceuticals Ltd., which fell 3%. The decline followed losses in Teva's ADR's, which fell 1 1/8 to 42 1/4 on Friday from Wednesday in New York.

Osem Investments sank 4% after foreign investors were seen as uninterested in purchasing the stock, said Israel General Bank's Meir. Bank Hapoalim fell 3% and Bank Leumi dropped 1%.

Other falling shares included holding company Clal (Israel) Ltd., which fell 0.5% and Clal Electronic Industries Ltd., which dropped 2%.

Clal Industries Ltd. closed unchanged after Kibbutz Yotvata announced it is negotiating to sell a stake in its dairy business to Clal Industries Ltd.

Clal Industries is in the final stage of negotiating to purchase 50% of Yotvata Dairy for about NIS 100m. The kibbutz produced 12.5 million liters of chocolate and mocha flavored milk drinks last year.

Investors felt Clal "got a good price for Yotvata," said Meir.

Gaining shares included chemical companies. Israel Chemicals Ltd. rose 0.25% and its subsidiary Dead Sea Works Ltd. went up 1.5%.

On the Two-Sided Index, Mofet Israel Technology Fund Ltd. rose 0.5%, following gains in VocalTec Ltd., which went up to 14 1/8 Friday from 13 1/2 on Wednesday on Wall Street.

Mofet owns a 10% stake in VocalTec. (Bloomberg)

# US, Canada reach lumber deal to end bitter bilateral trade dispute

### Five-year agreement will take effect on April 1

WASHINGTON (Reuters) — The United States and Canada reached an agreement over the weekend on Canadian softwood lumber imports, ending a bitter bilateral trade dispute that has smoldered for more than a dozen years.

Calling the agreement an "historic accomplishment," US Trade Representative Mickey Kantor said the deal will provide the "necessary relief and the level playing field" that US lumber companies and workers "have sought for so long" and will significantly reduce imports of lumber from Canada.

The US lumber industry has long charged that Canadian shipments of softwood lumber into the United States have jumped dramatically in recent years because of an unfair Canadian lumber policy that subsidizes its producers and enables its lumber to be sold in the US at cheap prices.

Kantor noted that since 1991, the Canadian lumber share of the lucrative US market has grown to over 36 percent, up from 26%, and that thousands of US jobs have been lost as a result of the declining American lumber industry.

In blunt language, Kantor previously criticized the sale of

timber owned by Canadian provinces to Canadian producers at below market prices, and the practice of restricting log exports from British Columbia and other provinces.

He said these practices have enabled Canadian lumber producers to purchase lumber at cheap prices, export at low prices, and have made US producers uncompetitive.

Under the five-year agreement, which takes effect April 1, Canada's largest lumber exporting province, British Columbia, will tax its lumber exports to the US once they reach a certain level, and Quebec and other lumber producing provinces will increase the so-called stumpage fees producers are charged to cut timber.

The agreement will result in "an impressive reduction in lumber imports from Canada," Kantor said.

Kantor estimated that imports from British Columbia, which make up 60% of the Canadian shipments, will drop by 14%, and that Quebec imports, which account for another 20% of imports from Canada, will be reduced to 89% of last year's levels.

The agreement calls for British Columbia to implement an export

tax of \$50 per thousand board feet on lumber shipments when exports reach 9 billion board feet, and a \$100 charge if exports reach 9.2 billion board feet.

British Columbia Forest Minister Andrew Petter told reporters in a conference call that the fee would be imposed only if the market price of lumber was less than \$320 per thousand board feet.

"If lumber is US\$320 or greater, then we are released from these constraints," he said.

Petter said the US stance over lumber went against the spirit of a free trade agreement between Canada and the US, but given the alternative of a trade war, the pact announced Friday was in Canada's best interests.

On the Chicago Mercantile Exchange, lumber futures fell ahead of the announcement as progress in the talks was seen as lessening the threat of immediate US government action against Canadian imports. March lumber ended \$8.80 lower at \$300.50 per thousand board feet.

Quebec agreed to increase its stumpage fees by about \$100 million.

It will then implement a back-up mechanism if necessary to ensure that a reduction in Quebec

lumber shipments to the US to 89% of last year's level.

Kantor said the parties in Alberta and Ontario have also agreed to comparable mechanisms, but did not give any details.

Kantor pledged that if the agreement failed, Washington would not hesitate to take other action, including pursuing a formal trade complaint against Canada and slapping tariffs on incoming Canadian lumber.

US and Canadian officials have met all week to reach an agreement over Canadian lumber imports, and to resolve US charges that Canada unfairly subsidizes its lumber shipments.

The negotiators have talked until well after midnight almost every night this week, a source close to the talks said.

The US lumber industry, represented by the Coalition for Fair Lumber Imports, had threatened to ask Washington to impose duties on Canadian imports if an agreement was not reached to its liking.

US industry officials at the press conference announcing the agreement said they were pleased with the agreement, that it was strong, and pledged to rebuild the faltering US lumber industry.

# Ukraine miners suspend strike over energy crisis

KIEV (Reuters) — Ukraine's coal miners suspended a two-week-old strike on Friday, but government leaders said the stoppage had already seriously damaged the country's crisis-ridden energy sector.

Strike leaders named the deepening energy crisis in Ukraine as a key reason for suspending the strike, called on February 1 to demand months of back pay and subsidies to the ageing and loss-making sector.

"We'll fully stop the strike when our demands are satisfied," strike leader Nikolai Podgorny said. "But the strike will create job cuts in industry and the stores of coal at thermal stations are very low. This, combined with the lengthy cold spell, could lead to catastrophe."

The government has doled out \$79 million in back pay — about two-thirds of what miners were demanding — but mindful of obligations to the International Monetary Fund, says it will provide no more funds from the budget.

The strike began fizzling out over the past week after a strong start in most pits in the Donbass coal mine in eastern Ukraine. On Thursday, trade unions said 33 of Ukraine's 250 mines were not working and 93 were refusing to load coal.

Rotating power cuts leave people in the dark for hours at a time in many parts of the country, even

in the suburbs of Kiev.

Prime Minister Vasyl Yevtuhov said the strike had only served to worsen an already critical situation. Russia was unlikely, he said, to hook up Ukraine to the energy grid in the next few days.

The miners' strike in Ukraine has ended, and the only result is big losses to the economy," Yevtuhov said. "It was absolutely unnecessary. The damages total several million tonnes of coal that we need. I see no pluses for the miners — only minuses. Their slogans were sheer populism."

Trade union leaders said they would continue to press for talks with the government on economic demands. They did not say when the strike might resume.

An unusually freezing winter has left Ukraine with thermal stations desperately short of coal and fuel oil. Nuclear power plants, which provide about 50 percent of Ukraine's electricity in winter, were working at full force.

The government ordered large factories to shut down to save energy after neighboring Russia uncoupled Ukraine from a joint power grid this week.

Rotating power cuts leave people in the dark for hours at a time in many parts of the country, even

Multi-sided trading				Two-sided trading			
Name	Price	Change	%	Name	Price	Change	%
<b>Commercial Banks</b>				<b>Afternoon</b>			
Bank Leumi	181.20	-0.2	-0.11	Bank Leumi	181.20	-0.2	-0.11
Bank Hapoalim	166.00	-0.3	-0.18	Bank Hapoalim	166.00	-0.3	-0.18
Bank Mizrahi	125.00	-0.5	-0.40	Bank Mizrahi	125.00	-0.5	-0.40
<b>Industrials</b>				<b>Morning</b>			
Koor Industries	188.75	-3.3	-1.75	Koor Industries	188.75	-3.3	-1.75
Bank Leumi	142.50	0.3	0.21	Bank Leumi	142.50	0.3	0.21
<b>Mortgage Banks &amp; Finance</b>				<b>Volume</b>			
Bank Leumi	494.07	1.0	0.20	Bank Leumi	494.07	1.0	0.20
Bank Hapoalim	370.00	-0.5	-0.14	Bank Hapoalim	370.00	-0.5	-0.14
Bank Mizrahi	183.00	-1.4	-0.76	Bank Mizrahi	183.00	-1.4	-0.76
<b>Financial Institutions</b>				<b>Price Range</b>			
Bank Leumi	177.00	-0.5	-0.28	Bank Leumi	177.00	-0.5	-0.28
Bank Hapoalim	166.00	-0.3	-0.18	Bank Hapoalim	166.00	-0.3	-0.18
Bank Mizrahi	125.00	-0.5	-0.40	Bank Mizrahi	125.00	-0.5	-0.40
<b>Insurance</b>				<b>High</b>			
Bank Leumi	148.00	-0.3	-0.20	Bank Leumi	148.00	-0.3	-0.20
Bank Hapoalim	135.00	-0.2	-0.15	Bank Hapoalim	135.00	-0.2	-0.15
Bank Mizrahi	100.00	-0.2	-0.20	Bank Mizrahi	100.00	-0.2	-0.20
<b>Property, Building &amp; Agriculture</b>				<b>Low</b>			
Bank Leumi	142.50	0.3	0.21	Bank Leumi	142.50	0.3	0.21
Bank Hapoalim	135.00	-0.2	-0.15	Bank Hapoalim	135.00	-0.2	-0.15
Bank Mizrahi	125.00	-0.5	-0.40	Bank Mizrahi	125.00	-0.5	-0.40

# Hungarian FM quits

BUDAPEST (Reuters) — Hungarian Finance Minister Lajos Bokros resigned yesterday, saying his cabinet colleagues had failed to back his reform drive.

"The finance minister handed me his resignation after today's government meeting," Prime Minister Gyula Horn said, adding that he had accepted the departure with effect from February 29.

Discussions on a replacement for Bokros would begin soon between Horn's Hungarian Socialist Party (HSP) and its coalition partner, the Alliance of Free Democrats, he added.

"As the government doesn't support and trust me, I don't see that reform of the state budget is possible," Bokros said.

At its meeting yesterday, the cabinet rejected introduction of a social insurance tax, and decided against hikes in value added tax and consumption tax.

Ministers rejected a proposal to transform the health insurance contribution into a tax.

# Chrysler ruled negligent in design of van brakes

BOSTON (Reuters) — Chrysler Corp has been ordered to pay \$19 million damages to a man whose family was killed in one of their vans, his lawyer said over the weekend.

In a far-reaching case, a jury ruled the US carmaker giant was grossly negligent in its design of the brakes in its 1986 Plymouth Voyager.

Paul Santos' wife and three children were killed when their van spun out of control on a slick New Hampshire highway in February, 1990, after the van's rear brakes locked.

Santos broke into tears when the verdict was announced, his lawyer Leo Boyle said. The jury also returned additional punitive damages of \$15,705 to cover the cost of the van.

"Chrysler has got a huge problem on its hands," Boyle said. "An American jury has determined that Chrysler was grossly negligent in the design of the braking system of the most popular car in America, the Chrysler minivan."

"We knew from our research that there was a huge problem with this vehicle," he said.

The jury rejected Chrysler's reported argument that Santos was speeding on snowy roads and her windshield wipers were broken, possibly inhibiting her view. Under normal circumstances, the van's front and rear brakes lock at the same time, Boyle said. But a tiny misadjustment or maintenance problem can result in disaster.

Boyle said the ruling could be far-reaching. The brake design was used in the Dodge Caravan and the Chrysler Town and Country van from 1984 to the early 1990s.

His law firm is cooperating with the plaintiffs in two other lawsuits pending against Chrysler, one in Pennsylvania and one in Georgia, he said.

The vans are now equipped with anti-lock brakes, he said.

Chrysler ruled negligent in design of van brakes.

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